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ROLE OF ARAB LEAGUE IN ARAB DIFFERENCES DISCUSSED

Tunis LA PRESSE DE TUNISIE in French 7 Dec 80 p 1

[Article by Mohamed Mahfoudh: "Should We Despair of the Arab League?"]

[Text] The inter-Arab contradictions, long suppressed, have been brought out into the open by the Iran-Iraq war.

What could be called euphemistically the "misunderstanding" was such that the latest summit in Amman, which was supposed to map a common economic and political strategy with regard to Israel, almost did not take place. It was finally held under conditions which revealed the gravity of the situation far more than the will to find solutions. Were not Syria and Jordan on the point of war a few days later?

Nor was this the first time that what, in times of concord, is referred to as "the Arab nation" was in a state of internal conflict.

What is most disturbing in the present crisis is that the Arab states are more than ever playing up the fallacy of an opposition between "progressives" and "moderates," thus falling into the trap of the war between blocs. The increasingly widening split between the two Arab camps lends itself to the image of the struggle for influence of the opposing big powers.

The situation is far from concerning "changes in mood" or caprices of leadership. The divergence is so profound that it has become rare to find two neighboring Arab countries on good terms with each other, and all mediation runs the risk of being in vain.

Should one therefore despair of restoring to the Arab world its most important and most effective weapon--that is, its solidarity?

A long time ago, for various reasons and partly in anticipation of just such situations, the Arab world provided itself with an institution, the Arab League. Let us say at once that this organization is nothing more than the expression of the will of the member states. Today these countries are in a state of crisis which there is no sign they are about to overcome. Is that any reason for the Arab League to give up? Does the decaying of the situation justify the eventual abdication of those in charge?

The most elementary rule of political ethics requires that all those in authority face up to the existing situation and carry out their tasks to the end. To abandon the ship because it is rotting is to insult one's own selection and the confidence of those who made that selection. It is also to succumb to defeatism, whereas courage demands that a true captain not let his ship drift.

Is this perennial Oriental phraseology? No, it is the optimism that is essential when everything seems to be ceasing to function; because, if every impasse led to abdication of responsibility, many a great enterprise would never have seen the light of day.

The invitation to depart, however friendly, is an invitation to despair; but the situation in the Arab world--however difficult to disentangle--is not yet desperate.

9347

CSO: 4400

URGENT NEED FOR POLITICAL SOLUTION TO MIDEAST PROBLEMS

Algiers EL MOUDJAHID in French 23 Nov 80 p 1

[Editorial by A. Hamouni]

[Text] Great hopes have been changed to disappointment by the 2-month armed conflict between two countries in the forefront of the anti-imperialist struggle in the Gulf region. The tragedy experienced by both the Iranian and Iraqi people has given birth to a sense of disappointment at the heart of the Arab and Moslem world. This disappointment is especially profound since the conjunction of the two revolutions, in the similarity of their aims and the community of vital interests which they embody, would have constituted an impregnable rampart against any imperial-Zionist penetration in the region at the very moment when the cowardly initiatives implemented behind the back of a struggling nation aim for obedience from the regimes opposed to the Camp David agreement.

History alone will sort out the responsibilities in the engagement of hostilities. But for now, the aggravation and persistence of the conflict demand that certain lessons be drawn in honestly evaluating the ill-fated consequences of a dispute which objectively serves the interests of the enemies of the two nations.

The first lesson--force solves nothing. Contrary to rather widespread opinion, treaties cannot be rashly and unilaterally challenged. The risk of uncontrollable implications is too great. The global conflagration provoked by denunciation of the treaty of Versailles--a recent example, from an historical point of view--is too close, with its horrors, to credit any effectiveness to the recourse to force. In addition, history shows that many calculations turn out to be false, confronted with the reality born in the field.

It is admitted now that they are fairly well entrenched in a war of attrition which more or less threatens to drag out, at once aggravating the weakening economies of the two countries--the cost of the war is in the neighborhood of \$8 billion--and offering an unexpected opportunity to consolidate imperial-Zionist positions in the region. Precise, immediate facts confirm this sad statement.

—Never has there been seen such a large-scale air and naval deployment in the straits of Ormuz. The United States, with their Atlantic allies to their rescue, have profited from a turn of events which could not be more favorable to them, to

give free rein to a veritable exhibition of their strength and, consequently, to an obvious intimidation maneuver, under the pretext of defense of economic interests.

--It is no longer mere chance that, at the same time, Americans and Egyptians are conducting joint maneuvers in Egypt, while the failure of the Camp David agreement --because it resolves nothing--is being recognized by an increasing number of countries throughout the world, including those of western Europe, more or less reticent up to now.

--Another essential point, stressed by many leaders hopeful of a fair and lasting solution to the Palestinian matter concerns the relegation of this affair to second place by the conflict, especially as, in order to resolve the Palestinian matter, it needs to remain the first priority of the international community in the region. This is evidenced by the Zionist state's lack of hesitation in pushing its aggressions a little further still. The latest Zionist raid, carried out deep in Lebanese territory, even as far as the outskirts of Beirut, has aroused nowhere near as much emotion among international authorities as in the past.

With that, it is justifiable to reflect upon the reasons for the "sine die" adjournment of the mediation and good will missions undertaken by various authorities--after the multiple initiatives at the beginning. It is true that the irreducibility of the two positions does not facilitate a peaceful solution to the conflict, much as it is needed. Nevertheless, it is necessary to offer a valid basis for negotiations between the two parties in conflict in such a way as to bring them to the conference table, to stop the bloodshed before all else.

Deeply concerned by this new bruise in the flesh of the Arab-Islamic people, Algeria cannot avoid its duty as a member of this world. Its position is one of moral principle, in total agreement with the charters of the UN, the OAU, and the Islamic Conference Organization. Algeria desires that all conflict be resolved by peaceful means, especially as the legal framework already exists. [print missing in original]...of the Atlantic, have taken advantage of a situation which envisions solving by this indirect means any differences which would surface between the two countries, without resorting to force.

9171

CSO: 4400

PALESTINIAN LEADER DISCUSSES PLO, LEBANON AFFAIRS

Jiddah AL-MADINAH in Arabic 4 Nov 80 p 15

[Interview with Prominent Palestinian Leader Salah Khalaf; Date and Place Not Given]

[Text] Any discussion with Salah Khalaf (Abu Iyad) on the affairs and problems of the Palestinian revolution is always important in view of his position in the leadership of Fatah, his long experience in dealing with the most critical and sensitive problems and his prominence in the Palestinian revolution as a whole. Those who know Abu Iyad and who have followed closely the political tasks which he has undertaken, will always remember a whole chain of difficult missions on which he has embarked. In Amman, Abu Iyad always was the advocate of national unity. In Fatah's 4th congress, he played a prominent role in unifying the ranks during the congress and thereby enabling it to overcome several difficulties. In Lebanon, he was charged by the Fatah leadership to conduct the dialogue with the government and to try to find a way out of several crises, beginning with the famous Shtura agreement and ending with the recent meetings with President Sarkis and Premier al-Huss. As usual, Abu Iyad provided clear answers to all the questions we put to him. The following is the text of the dialogue:

[Question] The Palestine National Council (PNC) was supposed to have met at the beginning of September 1980. We know that there are a number of organizational issues which require prior action. But how true is it that the meeting was postponed to wait for the results of the American elections and the European initiative?

[Answer] With regard to that question, I have to say here that the central council in June set up a committee of secretaries under brother Abu 'Ammar to agree on all details pertaining to the executive committee and some of the pending question, on the basis that the political program had already been approved by the PNC. The committee was scheduled to meet on 18 August, but it seems that the Palestinian leadership's preoccupation with the meeting of the Committee on Jerusalem in Morocco prevented the meeting from taking place. I do not believe that there is a political background to the postponement of the PNC meeting, either in connection with the American elections or the European initiative. May be the conjectures and

rumors are due to the fact that the postponement of the PNC meeting was not explained. The lack of explanation has also led some groups to raise their voice. I believe that they have every right to do so because postponement without explanation will surely raise doubts and suspicion.

I firmly believe that we are now in need of a PNC meeting more than any time before, that there is no reason now to continue to postpone it. I believe that it should meet at the beginning of next month. But before this can happen, there must be agreement on the following basic problems: 1) All the groups should sit together and decide on the form of the executive committee, because without such an agreement we will face the same painful experience which we faced at the previous NPC meeting. 2) There must be agreement on the minimum level of national unity, militarily and financially, especially now that the National Fund of the PLO has become capable of meeting all the needs of the various groups so that they do not have to go to this Arab country or that asking for money. I believe that it is high time that the budgets of all groups should be channeled through the PLO. This would consolidate national unity and enable us to discuss with the Arab states issues other than money issues. 3) Recent political changes should be noted, and plans should be drawn up to encounter those changes in the light of the political program that has been approved, but in circumstances that are different than the present circumstance: in some of their details.

In other words, before a PNC meeting can take place, we must agree on the methods of confrontation and decide what is our role and the role of others. We have to draw up a plan. It is clear that the Arabs have no plan of confrontation. We have therefore to clarify the role of oil and that of military force in the battle. I also say that before a PNC meeting can take place, we have to agree on how to move politically if we cannot agree on the previously mentioned points.

Some of us oppose political movement in Europe. Some support it without reservations. Therefore a meeting of the PNC should be preceded by agreement on that very point at least. Once agreement on these issues is achieved, it would not matter when the PNC meets. But if we failed to agree on the political position and the status of the PNC remained up in the air, then Palestinian national unity will itself be affected.

I am suggesting now that the committee set up by the central council should meet to discuss things in all candor, to decide on the previously mentioned issues and set a definite date for the meeting of the PNC. At any rate, I believe that linking the postponement of the PNC meeting with the Americans elections or the European initiative is incorrect. This is so because if it was not possible to commit the various Palestinian commands to adopt certain positions outside the PNC, why would it then be possible to commit them to these positions when the council meets.

[Question] Some people are saying that Fatah is acting through an alliance with Iraq, that it was that alliance which led to the European initiative, the special relationship with Jordan and the sensitivities between you and Syria.

[Answer] There is no such alliance, because alliances suggest connotations that differ from the present situation. What I want to say is that our relationship with

Iraq has improved in recent times after something of an estrangement between us before the Camp David accords. I believe that our real alliance is done through the Steadfastness and Challenge Front because it represents to us an advanced Arab position. We had hoped that Iraq would join that front because of the weight Iraq carries in the Arab arena. Iraq, however, has chosen not to join the front for reasons of its own. Because we follow a course based on strengthening relations with any state that opposes Camp David, we care about having good relations with Iraq.

We have heard these rumors, and they may have been spread by some Arab officials. I have not met Syrian officials for some time, and it may be that some of them are saying things like that. There I, as a responsible leader, deny that the Palestinian revolution is part of an Arab axis which is working against this Arab front or that. As I said, our basic position is one of being a member of the steadfastness front. But this does not prevent us from maintaining good relations with other Arab parties which are opposed to Camp David.

[Question] There is a lot of talk about the Camp David predicament--about the predicament of the Egyptian regime as a result of that. First, do you actually believe that Camp David is in a fix, or is the so-called predicament anything other than the fulfillment of a separate settlement between Egypt and Israel, which is the substance of Camp David? Secondly, what would it take to abort Camp David--a retraction by al-Sadat or the overthrow of his regime?

[Answer] Let me go back in time to 1970. That year, as I recall, a delegation from the Palestinian resistance movement met with the late leader Jamal 'Abd al-Nasir. During that meeting, he showed us documents of international offers to return all of Sinai to Egypt in return for ending the state of war with Israel. 'Abd al-Nasir told us that they want to swallow the Egyptian whale so that it would be easier for them then to swallow the other Arab whales. In the light of that incident, I can affirm that al-Sadat knew before embarking on Camp David that it could only be an Egyptian-Israeli settlement and nothing more.

But al-Sadat had to tell the Arabs that what he was doing was not a separate Egyptian-Israeli settlement. He had to say that as part of the production of that show. Therefore, I am certain that all the talk about an alleged Israeli-Egyptian disagreement over the Palestinian question is also part of the same production. I emphatically believe that Israel would not have withdrawn from one inch of Arab territories if Sinai was not the price it had to pay for the Palestine question, the Arab question and Egypt's relationship with the Arab nation. The proof is that the complications which have been mentioned before and after Camp David used to reach a full circle then disappear entirely, leaving the separate settlement to proceed on its course without problem. This is true of some of the issues related to autonomy and the settlements. It is even true of the question of the annexation of Jerusalem which al-Sadat has tried to utilize so as to show himself off as a man who is concerned about the Palestine question and the sanctities of Islam. But he has eventually backed down from that position and considered the Jerusalem issue not serious enough to preclude the resumption of negotiations.

This is in answer to the first part of your question. With regard to the second part, namely, to strike down Camp David, I believe that those who are betting that al-Sadat will back down are wittingly or unwittingly turning their back to reality.

Al-Sadat went to Camp David determined not to back down from any move that he would make there. Anyone who follows his statements since the signing of the Camp David accords will note that the man considers that he has gone down in history as having achieved something grand. It is quite obvious, therefore, that striking down Camp David means striking down the Egyptian regime. Camp David will fall only when the Egyptian regime falls.

[Question] A final question on that subject. It occasionally seems to the observer that the Palestine question is scoring major successes on the Arab level and that because of its very success it now faces a strategic dilemma. Do you agree to this view?

[Answer] The dilemma is not due to the fact that we live in a small area called Lebanon but to Arab failures. This makes it our duty to draw up a plan for a wide-scale action which would first focus on the Palestinian-Syrian relations with an eye to cementing them so that they may overcome marginal sensitivities. I believe that there should not be conformity between our positions and those of our Syrian brethren for the simple reason that they are a full-fledged state and we are a revolution which has its own circumstances. This should not nevertheless lead to a lack of confidence and coordination in all things. I frankly believe that if we and Syria do not band together to face the challenges facing us, the Arab situation will continue to go from bad to worse. We have therefore to forge solid, firm and clear relations which cannot be affected by reports, whispers, intrigues and attempts at distortion and confusion. I reaffirm that we and Syria are capable of supplanting Arab incapacity with strength, upsetting the balances of power and extending our impact in depth to Iran and the Arab Maghreb.

On that score, I also suggest that the Steadfastness and Confrontation Front has to be strengthened. The confidence of the Arab masses in it has to be built up so that they stop looking at it as merely an organization designed to issue statements not to carry them out.

[Question] Several days ago, Yasir 'Arafat called for a meeting of the Arab Defense Council to discuss the Israeli attacks on southern Lebanon. We have not seen an Arab response thus far. Frankly, if such an invitation is issued to any international organization, it would not hesitate to respond to it positively. This is the problem.

[Answer] Before that, brother Abu 'Ammar called for an Arab summit, but the Arabs failed to respond. We have also called for a meeting of the Arab foreign ministers before the meeting of the United Nations General Assembly. Again, the Arabs paid no attention, and the meeting was held at the level of U.N. envoys. This issue does not concern Abu 'Ammar personally. It concerns the Palestinian revolution because Abu 'Ammar is the leader of that revolution and its spokesman.

The Palestine question has become a world issue, in addition to being the day-to-day problem of every Arab. Accordingly, the Palestine revolution cannot be bought by money. True, we need money. But I say it loudly that what we need more is political positions.

[Question] There is talk about internal explosions in Lebanon in addition to the expected attacks on the south. How true is this?

[Answer] The talk about explosions is not new. We spent the past year listening to all kinds of talk about and explosions and living in that kind of atmosphere. Actually, the seriousness of the expected explosions began to develop after the 7 July operation in the eastern sector of Beirut. That operation has unified the ranks of the lackeys serving Israel. As such, it has unified Israel's plans. I believe that the 7 July operation was the beginning of the consolidation of forces under the command of a single decision-maker linked to Israel.

There are those who say that the operation is associated with someone beyond all that, namely, the U.S. But I believe that the Phalangist Party and Israel are playing their own game this time. That is to say that there does not exist an American approval at this time, although the masterplan was originally laid down by the American Administration during Kissinger's tenure and that the U.S. is still implementing it in phases. Bashir al-Jumayyil has pushed that operation to gather all the strings of power in his hands. The recent clashes in Al-Hadath between the Phalangist militias and the army and the two attempts before that to assassinate Sarkis indicate that he also harbors designs against the legitimate authority. Anyone who reads Bashir al-Jumayyil's statements after the B'abda clashes will become fully aware of his intentions and those of his party with regard to the legitimate authority in whose name they have plunged Lebanon in the abyss of destruction over the past 5 years. Had Rashid Karami or any other Lebanese Moslem made similar statements, hell would have broken loose.

What gives Bashir al-Jumayyil's statements a serious and sinister dimension is that, because of certain circumstances, he is capable of penetrating the ranks of the army and doing anything that he likes. In view of the actions of the Phalangist Party since the incidents of 13 April, the Ihdin massacre, the 7 July operation and the recent clashes with the army, I believe that the Phalangist party is carrying out a masterplan designed to give it control over all of Lebanon. The talk about liberating Lebanon from what the Phalangists call the Palestinian-Syrian occupation foreshadows the forthcoming explosion.

We should note here that when the Phalangist Party talks about resettlement, it adopts a point of view that assumes that a settlement of the Middle East crisis is not possible. What it is actually saying is this: we accept the Palestinians in Lebanon provided that they are unarmed. It thus becomes clear that the Phalangists are implementing an Israeli plan which aims at disarming the Palestinian people, hence resettling the Palestinians by force.

With this in mind, we urge those who are talking about resettlement to take a good look at the masterplan carried out by the Phalangist Party in coordination with Israel. That plan aims at resettling the Palestinians in Lebanon after liquidating their revolution, which is their means of returning to their homeland, and after disarming them. Please note that the Israelis and the Americans are now talking about resettling the Palestinians in Jordan. They mean Lebanon in fact, because the Palestinians in Jordan are considered to be Jordanian citizens, especially after they were disarmed following the September events.

Therefore, the plot which is being implemented by the Phalangist Party is an extension of the battle with the resistance movement under the slogan of disarming it as a means of resettling the Palestinians by force. The Palestinian resistance has

announced, and I repeat that, that resettlement will begin the minute the Palestinian fighter's gun is taken away from him. It is that gun which prevents resettlement.

In the light of everything that is taking place, it seems that the masterplan calls for contriving clashes with the resistance movement in Beirut, while Israel moves against the Palestinians in the south. The Phalangists and Israelis would thus constitute a pincers movement that would close in on the Palestinians, disarm them and force them to resettle in Lebanon.

On this occasion, I wish to say that the Phalangist Party which has slaughtered the cream of Maronite families to impose its own control on the area, will spare no effort, if it were to extend its domination to other areas, to get rid of anyone who would even consider standing in the way of its hegemony. The Phalangists have managed at some point to dupe certain Islamic leaderships into believing that the Palestinians are a burden on these leaderships, so that they may espouse the liberation slogans which the Phalangists raise. I believe that those who have dared to attack Sulayman Franjiyah and Kamil Sham'un will not hesitate to humiliate any Lebanese personality regardless of its religious or social position of leadership. The Phalangist Party is built on a Fascist system which it inherited from its past status as an athletic club. It continued to nurture and develop that Fascist tendency until it became an armed force aspiring to dominate all of Lebanon and be the only power on its soil. Again, the proof lies in what has happened to Kamil Sham'un at the hands of the Phalangists, despite the fact that Sham'un tries to free himself from the grip of Bashir al-Jumayyil by assailing the Palestinians and the Palestinian revolution.

Bashir al-Jumayyil has become quite skillful in playing chess, and it seems that the Israeli intelligence found in him a person whose ambitions drive him to carry out all its plans.

There is an issue that has been a persistent issue over the past few years. That is the issue of security. The Lebanese citizen is suffering from the present conditions and he occasionally gives vent to his frustration by taking anti-Palestinian positions. The question is: Why is there no solution for this problem which is the main concern of citizens? If we want to discuss the question of security since the entry of the Arab Deterrence Forces (ADF) into Lebanon, we will find that the agreement provided that the ADF would assume the responsibility of maintaining security in all areas or in our areas at least. What happened is that after the Bayt al-Din conference--and we all know the nature of its resolutions and the attitudes of all parties toward those resolutions--the ADF began to relinquish security responsibilities in favor of and at the request of the legitimate authority. At first, the ADF ran joint patrols with the Lebanese security forces to support them and enable them to impose their control. I must point out here that we in the national movement and the Palestinian resistance refused to participate in maintaining security outside our areas on the grounds that this was the responsibility of the ADF, hence the Lebanese legitimate authority. Actually, security responsibilities should not be divided, because such division will lead to a state of flux and instability since each party will try to shift responsibility on the other party./nn.

Once again, I should point out that the responsibility for security belongs to the ADF and the Lebanese security forces. This is our view in the resistance movement and the national movement. I wonder why the Lebanese security forces are not exercising their responsibilities, although we in the resistance and the national movements welcome such a role.

Throughout the year we held a series of meetings to discuss the security situation in the light of the mounting complaints of thefts, assaults and extortion. We have agreed to form a security committee. The committee performed in a limited manner at first then came to a standstill as it tried helplessly to determine which authority has the right to make arrests, especially among Lebanese citizens. The national front insisted that the ADF and the Lebanese security forces are alone entitled to make arrests. Contacts were made with the Lebanese security authorities and the ADF, but things remained unchanged. I want to say here that the lawbreakers and thugs in the western sector of Beirut are no more than 140 persons and that we can arrest them within 48 hours and spare the people their crime and mischief. The problem, however, is that they are a mix of Lebanese and Palestinians. Most of the Palestinians do not live in the Palestinian camps, and we are therefore unable to take a decision to arrest them and impose on them the penalty that they deserve. We have contacted the ADF and agreed on the apprehension of those persons, but the agreement remains unfulfilled up till now. And so the situation remains the same, which makes me say again that the responsibility for security lies with the ADF and the Lebanese security forces. They can expect cooperation from us and we are ready to provide them with all the necessary information about the lawbreakers (and to which organization they belong).

The citizens can also expect from us an effort to conceal the armed manifestations and close some of the offices, but such efforts remain of limited value if the main problem is not dealt with radically in cooperation between the Palestinian resistance and the national movement, the Lebanese authority and the ADF. We acknowledge the immensity of the responsibility for the security situation, and therefore we will continue to pursue efforts to deal with that situation. I should recall here that we had agreed with Dr al-Huss to set aside one of Beirut's prisons for those criminals and thugs where they would spend time until they have served their sentence, in contrast to earlier experiences when we used to arrest a violator and hand him over to the Lebanese authorities only to discover to our surprise the next day that he is free and back in the streets.

[Question] In the south, the security problem is more than just a question of breaking the law. There, it is a question of confrontation with the enemy and support in that confrontation. Lebanese citizens there have reason for complaint. How can this problem be dealt with?

[Answer] With regard to the south and the fact that the Lebanese citizens there continue to bear the adversities resulting from the confrontation with the enemy without any backing or support, I hold all the Arab states without exception responsible for that. The Arab states are withholding support from the southerners under the pretext that there is no authority to receive the support funds. We say that this is an untenable and unacceptable excuse because the Lebanese authority is there. Let the Arab states pay the money to it if they do not trust the other parties. The Lebanese citizen in the south should feel that someone is trying to help him,

because that would give him strength and make him more determined to confront the enemy. Turning from the question of support to the security situation in the south, we in the resistance believe that this problem should be solved through cooperation and coordination with the Lebanese authority. The Lebanese authority should open its heart to us and vice versa so that we may be able to solve all the problems that face us and face the citizens.

[Question] Are you addressing yourself then to the Lebanese authority?

[Answer] Yes, the Lebanese authority that is unaffected by the influence of the gangs associated with Israel. It seems on occasion that these gangs have control over the decisions of the Lebanese authority.

[Question] A conflict recently arose between you and the Lebanese authority. The foreign ministry regarded Arafat's call for a meeting of the Joint Arab Defense Council as an encroachment upon its jurisdiction and issued a statement to this effect.

[Answer] As I said, something like this is due to the lack of dialogue and coordination. If there are dialogue and coordination, such situations would not arise. With regard to the incident which you have cited, I would like to say that the call made by brother Abu 'Ammar does not conflict at all with the jurisdictions of the Lebanese authority. The Palestinian forces in the south are being subjected to an attempt to crush them--indeed to an attempt to annihilate them.

It is therefore Arafat's right to call upon the Arabs to assume their responsibilities with regard to what is going on in the south. More than that, is not a Arab state which is a member of the Arab League entitled to call for a meeting of the Arab Defense Council to discuss the situation in the Lebanese south? What is happening in the south is a responsibility which all Arabs share. When Abu 'Ammar calls on the Arabs to rise up to their responsibilities, he does not detract from the jurisdictions and sovereignty of the Lebanese authority. Now, why has not Fu'ad Butrus called for such a meeting? 'Arafat and the PLO would have supported Lebanon's move.

[Question] The recent events in Tripoli have certain implications. Can you shed some light on those events in the light of the measures that have been taken?

[Answer] When I talked about the need for coordination in the field of security between us, the authority and the ADF, I meant that if such coordination had taken place, the events in Tripoli or anywhere else would not have happened. As to what occurred in Tripoli, it has transpired that a group of offenders sought to carry out a political action of a security-related nature with the aim of undermining the Syrian-Palestinian relationship and stirring sectarian Jingoism. I cannot help add that some official Lebanese circles played a bad role in that atmosphere.

The events in Tripoli began with acts of extortion and assaults on the properties of citizens then developed a political character which took the form of sectarian fanaticism. As a result, people were killed if their ID showed them to belong to a different religion and unjustified attacks were made on innocent people. Col Muhammad Ghanim and brother Abu al-Hawl managed to put an end to the consequences of that contrived sedition, but they were not able to eliminate its causes, which means that similar events may erupt again at any time. Therefore, we should continue to coordinate our efforts in dealing with such a sedition in order to uproot its causes.

I believe that the absence of top leaders from Tripoli--leaders from the resistance and national movements and the ADF--was one of the causes which enabled the sedition to continue and enabled the gangs to give their actions a political character. I believe that had there been top leaders, such security breaches would not have occurred.

[Question] The recent (Al-Ghaziyah) clashes have resurrected the nightmare of the southern suburb and rekindled talk about the relations between the Palestinian resistance and the Amal movement.

[Answer] When Imam al-Sadr raised the slogan of "a gun is a man's pride," his aim behind that was to encourage fighting the Zionist enemy, defend the south and support and help the revolution. Anyone who examines the foundations of the Amal movement will find that they do not include Shi'ite demands framed in a narrow sectarian context. The Amal movement was motivated by national and nationalist aims which concern the Lebanese people and the entire Arab nation. But what really hurts is that after the disappearance of Imam al-Sadr, some leaderships in Amal began to try to divert Amal from its nationalist line and national course. Some went on to try to contrive contradictions between Amal and the Palestinian resistance movement. But in all fairness, the high commands have tried their best to settle the problems, but they were unsuccessful. I recall, however, a meeting I had four months ago with some middle-level leaders in the Amal movement. Some of them asked me some questions that are quite unusual and at variance with the nature of relations between friendly forces, such as, do you pray or not? Why is not the Palestinian revolution an Islamic revolution? And what is the nature of your relations with Libya and Iraq?

I believe that those who know the facts of the Palestinian revolution should not address such questions to it, because they would know at least that one quarter of the Palestinian people are Christians. Again, I believe that these kinds of questions are quite inappropriate in the type of fraternal relationship between the Palestinian revolution and the Amal movement. At any rate, Amal has recently elected a new leadership. Although I have not met brother (Bih Barri) for several years now, I have known him before to be a patriot who has progressive nationalist stands. A hopeful and good sign after the election of a new leadership is that clashes have stopped and things are returning to normal in the relations between Amal and the Palestinian resistance movement.

All of us should know that not any person who is opposed to the national movement and the Palestinian resistance is necessarily a member of a political movement or that the prerequisite for membership in the Amal movement is opposition to the Palestinian and the national movement. I believe that such elements have secretly infiltrated the ranks of Amal on purpose. The higher commands in Amal round them up and rid the movement of their evils and problems.

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COUNCIL OF MINISTERS ADOPTS 1981 YEARLY PLAN

Algiers EL MOUDJAHID in French 17 Nov 80 p 1

[Text] The Council of Ministers met yesterday, Sunday 16 November 1980 at Presidential Headquarters, where Chadli Bendjedid, president of the republic, secretary general of the FLN Party presided. Following the minister of planning and national development's report, the Council of Ministers approved the draft of the yearly plan for 1981, whose total amounts to 83.8 billion dinars and which will create 200,000 new jobs. An examination of the draft plan led to an in-depth debate which allowed the Council of Ministers:

1. to establish the balance-sheet for 1980, whose main items are as follows:

--a 9 percent increase on gross national product in real terms compared to 1979;

--an increase in job-creating investments;

--a higher level of effective realization of programmed investments.

2. to approve the guidelines of the draft plan to submit to the People's National Assembly for adoption.

The council of Ministers insisted on the need to:

--increase national production by applying better management of the existing production apparatus, and improve the programming of stocks and imports;

--tie all salary increases to increased productivity in order to reduce inflation pressures;

--tie new entries to the maturation of the projects;

--observe greater discipline in the realization of investment programs, with a view toward suitably lowering the cost of projects;

--observe greater strictness in making investments, in management and in reliance on technical assistance.

LONG-TERM NATIONAL ENERGY POLICY PROPOSED

Algiers EL MOUDJAHID in French 16 Nov 80 p 5

[Text] The economic and social committee of the party is pursuing its preparation of an energy dossier following a report by Abdelhamid Brahimi, minister of planning and national development on the place of energy in national development in general.

First, Brahimi mentioned the growth of national energy consumption requirements to the year 2000 based on projections made by the Ministry of Planning.

Currently, national consumption--16 million tons petroleum equivalent--represents 21 percent of national production (estimated at 75 million tons petroleum equivalent). This percentage should increase to more than 30 percent in 1990 and to more than 77 percent in the year 2000. These estimates, the minister noted, are made on the basis of only proven or probable resources.

Breaking down the consumption, we find that hydrocarbons constitute more than 90 percent of it. In 1980, the proportion stands at 44 percent for gas and 48 percent for petroleum. This proportion should increase to 60 and 33 percent respectively for gas and petroleum in 1980 and around the year 2000, gas will account for 60 percent and petroleum for 25-30 percent of the nation's consumption.

This breakdown shows that up to the year 2000 national energy consumption will be almost exclusively met by hydrocarbons. Then, broaching the question of production and the growth of national financing requirements, Brahimi underlined the fact that because of uncertainties in crude oil prices, it is possible only to set production limits that may be revised depending on international economic developments in the energy sector.

Finish the decade without major new financial obligations.

As for the growth of financing requirements, Brahimi declared that the realization of large national objectives "should translate during the decade into sizable reduction in the degree of overseas exposure of our economy. The number of imports of goods and services, at 1979 prices, must diminish progressively to 27 percent of our total resources in 1990, as opposed to the present rate of 50 percent, which means, he added, that the rate of growth of imports must grow at a much slower pace than that of production."

"Beyond 1984," he emphasized, "and up to 1990, we must be in a position to trim sufficient fat from our current balance both in order to insure debt repayment including that of the current plan, and also to end the decade without any major new financial obligations."

Speaking about hydrocarbon exports and the question of trimming exports, Brahimi remarked that "already in 1980 favorable oil prices have allowed a slight reduction in crude oil production and, in the future, trimming of exports will primarily involve this product."

General program for conserving oil and petroleum byproducts

As for gas, currently both in relation to external price conditions and efficiency in the management of investments and production in this sector, Brahimi chiefly emphasized that "estimates of an increase in exports, in excess of those from presently installed or soon-to-be installed facilities, must be very prudent. New investments will only be tied up under positive guarantees of price increases, equipment control and exploitation of deposits."

In addition, after having described the growth of production, of consumption, and of external financial requirements, Brahimi urged movement towards development of a medium- and long-term energy policy.

These moves, which number four, involve a general program for conserving oil and petroleum byproducts. These include an intense program of managing and conserving existing deposits, continued exploration efforts and a move in the direction of new alternative energy sources.

The general program for conserving oil and petroleum byproducts should expand utilization of known reserves to their maximum limit. It should begin by a gradual, relative reduction in oil consumption, on a household level as well as on an industrial level.

To assure greater security in domestic supplies, Brahimi urged a second action, that of "a domestic program of control and conservation of existing gas and oil deposits, which should lead to a more reliable and precise understanding of our future extraction capacities."

Alternative energy sources in the year 2000

As the third phase of the national energy policy, Brahimi proposed continuation, "but with greater equipment efficiency than in the past, of new deposits search and exploration efforts."

The fourth part of the plan proposed by Brahimi is in the direction of new alternative energy sources, "the necessity for exploration and mobilization of new sources which should progressively lessen the importance of oil, is becoming more and more important."

He added that "for the time being, it will be necessary to mobilize human research, design, and application potential which we already have in an

institutional framework, which will permit better processing as well as frugal and efficient use of the sizable financial means that this work will demand. Also necessary will be the timely assurance of training programs adapted to the staffing requirements that alternative energy production capacity in the year 2000 at a rate equivalent to current consumption will require."

Continuing along the line of new alternative energy sources, and beyond present potential (hydroelectric power) or possible/probable prospects (geothermal and wind energy), "we must engage ourselves resolutely in the mobilization of solar and nuclear energy resources," Brahimi said.

"The use of solar energy on a small scale, for small localities, seems to be well adapted for the small and medium sized outlying localities, that the growth and development of a territory as big as ours will make more and more numerous," he noted.

Finally, as for nuclear energy, the minister of planning and national development closed his speech by indicating that "taking known uranium reserves and further exploration possibilities into account, the mobilization of significant production capabilities is now becoming a definite prospect."

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FOOD, NUTRITION POLICY ANALYZED IN OFFICIAL REPORT

Cairo AL-AHRAM AL-IQTISADI in Arabic 3 Nov 80 pp 15-21

[Article by Jamal Zaidah: "Bread and Life in Egypt: An 11 Million Ton Deficit in Bread Products in the Year 2000"]

[Text] Bread is one of the important food commodities in Egypt. Bread provides the average Egyptian with 71 percent of his daily calories and 74 percent of the protein that is necessary for growth and for the vital functions of the human body. The volume of bread consumption has notably changed over the past few years, with the result that an imbalance has emerged between supply and demand. The gap between supply and demand in the area of bread products has increased as demand went up faster than the growth in production. The result has been a steady increase in the rate of imports.

The consumption of bread products per capita has increased from 232.1 kgs in 1967 to 291.5 kgs in 1979. During the same period, national consumption soared from 7.263 million tons to 11.9 million tons, while imports went up from 3.087 million tons to 5.379 million tons.

According to statistics, the projected deficit in bread products in 1985 will be somewhere between 4.91 million tons and 6.4 million tons. In 1990, it will be between 5.5 and 8 million tons and it might go up to 11.2 million tons by the year 2000.

In this article, we will be reviewing a study prepared by the Central Agency for Public Mobilization and Statistics (CAPMAS) on the question of bread products. The study underlines the seriousness of the situation and defines the dimensions of the problem--most specifically the shortage in bread products.

Grain is a basic source of food in the Egyptian society; 43 percent of the area reserved for raising products is earmarked for raising bread products (wheat, barley, rice and corn). Through its food support policy, the government has been seeking to alleviate the impact of the increase in world and local prices of bread products on the consumer so that he may be able to obtain his needs at a more or less stable price. In 1979, the government spent about 626.7 million pounds to support bread prices in Egypt in comparison with just 5.1 million pounds in 1969. In view of the fact that population is increasing at a faster rate than the increase in the production of bread products, Egypt has become

growingly dependent on the outside world for meeting its needs of bread products. Imports have in the past few years accounted for 45-54 percent of Egypt's total needs of bread products and for about 70-85 percent of its wheat consumption. As a result, heavy burdens have been added to the trade balance. At this point, the cost of imports of bread products is double the income from cotton exports. In some years, that cost eats up about half the revenue from commodity exports.

The cost of imports of bread products has been on the rise over the years. In 1939, it amounted to 54,000 pounds (grain and flour). But it has been steadily rising. In 1960, it reached about 26.3 million pounds, rising to 70.7 million pounds in 1971, then soaring to 288.6 million pounds in 1974. It decreased to about 208 million pounds in 1977, but it jumped again to 282.6 million pounds in 1978.

A comparison between the deficit in the trade balance of bread products and the deficit in the trade balance of commodities shows that the former deficit was the cause of the large deficit in the latter balance in the 1970's. In 1971, 1972 and 1974, the deficit in the trade balance of food products registered 81.4 percent, 93 percent and 76.2 percent respectively of the deficit in the commodities trade balance. That percentage dropped to 13.5 percent in 1978.

The Growth of the Cost of Imports of Bread Products (in Thousand Pounds)

| | | | |
|------|--------|------|---------|
| 1939 | 54 | 1972 | 51,807 |
| 1945 | 3,357 | 1973 | 68,217 |
| 1950 | 22,066 | 1974 | 288,635 |
| 1960 | 26,291 | 1975 | 286,643 |
| 1964 | 75,083 | 1976 | 220,735 |
| 1970 | 30,466 | 1977 | 207,982 |
| 1971 | 70,678 | 1978 | 282,624 |

This shows that the cost of imports of bread products represents a substantial percentage of the cost of commodity imports as well as a substantial percentage of the total value of commodity exports. Accordingly, the growing dependence on food importation exercises a negative effect on the trade balance which has been accumulating a growing deficit year after year, especially since the cost of such commodities has been sharply increasing in the world market and simultaneously causing a rise in the local prices of the same commodities. The only alternative which the state has to alleviate the sharp rise in world prices is to increase the amount of outlays which are annually earmarked to support the prices of these commodities at home.

Raising Bread Products

Agricultural production in Egypt is characterized by the fact that the area of land earmarked for raising food products is larger than the area planted with nonfood products. The area in which food products are raised came to an average of 61 percent of the total crop area in the period from 1977 to 1979. Bread products accounted for 42 percent of the total crop area in the same period.

The crop area as a whole in Egypt has increased from an average of 9.4 million feddans in the period from 1950 to 1954 to an average of 11.2 million feddans in the period from 1975 to 1979. The area earmarked for raising bread products has varied over time. It increased from 4.396 million feddans in the period from 1950 to 1954 to an average of 4.591 million feddans in the period from 1955 to 1959. But in the periods from 1960 to 1964 and 1965 to 1969, it decreased to 4.511 million feddans and 4.43 million feddans respectively. This shows a progressive decrease in the 2 periods in question which is due to the decrease in the wheat-cultivated area during the 1960-69 period as a result of the dependence on American wheat aid until the mid-1960's.

It can be seen that despite the increase in the size of the crop area and the area reserved for raising bread products, the increase in the latter area did not keep up with the increase in the former area. This has led to a relative decline in the importance of the bread products area in the general makeup of crop products. As a result, the state had to rely increasingly on foreign sources to meet the growing local needs of bread products, especially wheat, flour and corn.

Production Growth

Since production is the sum total of the cultivated area and the productivity average, the production of bread products has increased as a result of the increase in the cultivated area and the increase in average yield per feddan of bread products. This means that the increase in the output of bread products has to be the result of the increase in both factors or in either one of them. It should be noted here that the production of bread products was adversely affected in the 1940's by the nonavailability of chemical fertilizers in sufficient quantities, especially during World War II. The total output of bread products increased from an average of 4.228 million tons in the period from 1935-1939 to an average of 8.009 million tons in the 1975-1979 period. The major increase in the production of grain is due to the increase in rice production, which has in fact doubled more than once. This, in addition to the substantial increase in the production of corn.

Despite the increase in wheat production from an average of 1.248 million tons in the 1935-39 period to an average of 1.896 million tons in the 1975-79 period, it can still be said that wheat production has decreased in the 1940's. The major jump in production occurred in the 1970's due to the introduction of new strains and kinds. And yet the proportional importance of wheat production has decreased from 29.5 percent of total grain production in 1935-39 to 23.6 percent of that total in 1975-79 due to the increase in the production of other crops in higher rates than the increase in wheat production.

Barley production has decreased from 233,000 tons in 1935-39 to 90,000 tons in 1970-74, then went up to 121,000 tons in 1975-79. As a result, the relative importance of barley production went down from 5.5 percent of total grain production in 1935-39 to 1.1 percent of it in 1970-74 then rose to 1.51 percent in 1975-79.

Rice is the only vital crop that is raised in surplus and therefore can be exported. Rice production has increased from 685,000 tons in 1935-39 to 2.432 million tons in 1970-75 and 2.371 million tons in 1975-79. The decrease in the relative importance of rice production in recent years is due to the decrease in the rice-cultivated area and an unchanging rate of production.

Despite the relative importance of the production of maize in Egypt, production has nevertheless dropped from an average of 1.606 million tons in 1935-39 to 1.44 million tons, 1.436 million tons and 1.568 million tons in 1940-44, 1945-49 and 1950-54 respectively. However, as of 1955-59, maize production began to increase progressively, rising from an average of 1.624 million tons in 1955-59 to 2.921 million tons in 1975-79. The recent big leap in maize production is due to the cultivation of greater areas during the period in question and a slight improvement in average productivity.

Production of corn has fluctuated from year to year and from period to period but tended in general to increase. Production rose from an average of 456,000 tons in 1935-39 to an average of 853,000 tons in 1965-69, but it dropped to 700,000 tons in 1975-79. It can be seen that the production of maize and corn represents about half of the output of bread products in Egypt. In the period from 1975 to 1979, corn and maize production accounted for 45.21 percent of the total output of bread products in Egypt.

Grain and Food Standard

We then move to the effect of grain on the individual's food standard in Egypt. Intake per capita of various food commodities has risen from 932.7 grams in 1951, 1952 to 1,547 grams in 1977. The large increase in consumption was matched by an increase in calorie intake per capita. That intake increased from an average of 2,328 calories in 1951, 1952 to 3,659 calories in 1977. The increase in calorie intake per capita is due to the steady increase in the individual's consumption of grain. The calorie intake per capita from grain consumption has increased from an average of 1,643 calories in 1951, 1952 to 2,592 calories in 1977.

The increase in the average food consumption per capita has been matched by an increase in protein intake per capita. That intake went up from 68.7 grams per day in 1951, 1952 to 100 grams of protein in 1977. This increase in general protein intake was accompanied, however, by a slight increase in animal protein intake. Per capita intake of animal protein increased from 11.5 grams per day in 1951, 1952 to 12.1 grams in 1977. This means that 83.3 percent of protein intake per capita in 1951, 1952 was from vegetable foods. That percentage increased to 87.9 in 1977.

Although the level of nutrition per capita in Egypt in 1977 went beyond the level recommended by FAO, namely about 2,500 calories and 75 grams of protein, Egypt's level can be faulted on several scores. For example:

1. While the average consumption of bread products per capita has increased in recent years, consumption per capita of herbs, legumes and grain has decreased

from an average of 36 grams in 1973 to 25 grams in 1977. Per capita consumption of fruits has also decreased from 182 grams in 1974 to 159 grams in 1977, while per capita consumption of meat and poultry has also decreased from 30 grams in 1973 to 29 grams in 1977.

2. An Egyptian draws most of his calorie needs from bread products. These products provide him with 69.8 percent to 74.2 percent of his average share of calories during school years. This is a very high percentage if compared to similar averages in other countries. That average runs to 20 percent in the United States, 23 percent in the United Kingdom, 41 percent in Italy, 55 percent in Japan and 68 percent in India. The 68 percent figure is for the year 1970. In 1977, the average in India rose to 71 percent.

3. Most of the protein obtained by Egyptians comes from vegetables. Grain alone provided an Egyptian with 74.1 percent of his total protein intake in 1977. This means that the percentage of animal protein in the diet of the average Egyptian has decreased, despite the importance of that kind of protein. In 1977, animal protein accounted for 12.1 percent of the total daily protein intake per capita. In 1970, this percentage stood at 73 percent in the United States, 62 percent in the United Kingdom and France, 44 percent in Italy, 41 percent in Japan and 11 percent in India.

It can be seen from the above that the average Egyptian's intake from bread products is sufficient and should not be more than its present levels.

Increased Consumption

Demand on food products in general and bread in particular has been progressively increasing in Egypt for several factors. They prominently include:

Population Increase: Overpopulation in Egypt in recent years has jacked up the consumption of commodities and services. Population increased at the rate of 2.45 percent in 1960-66 and a rate of about 2.31 percent in 1966-76. The increase in consumption was also due to the increase in the rate of migration from the countryside to the cities. The number of people living in urban centers represented 19 percent of the total population in 1907. It jumped to 44 percent in 1976. As a result of this leap, wheat consumption exceeded the rates of increase in corn consumption, since the wheat bread is the normal food commodity in urban centers, whereas in the countryside people eat corn bread or bread made of a blend of wheat and corn.

Increase in Income: The increase in national revenue and the average real income per capita has led to a general increase in the consumption of food products.

Prices: Despite the substantial increase in the prices of world and local bread products, consumer prices have remained fairly steady in Egypt because the state sought to isolate the effect of the increases in world prices, especially grain, on the consumers by supporting bread products. The purpose was to protect the consumer from the rise in the prices of bread products.

This resulted in an increase in the consumption of bread products and the use of bread products to feed livestock and poultry. National consumption tended to increase at varying rates from year to year. It rose from 7.3 million tons in 1967-68 to about 11.9 million tons in 1979. A study of the general trend of the consumption rates of bread products shows that they have been increasing at an annual rate of 452,300 tons, that is at a rate representing 4.7 percent of the average consumption rate of that period, which was 9.643 million tons.

The Food Gap

Despite the role played by Egyptian agriculture in providing the daily needs of Egyptians and despite the increases in the agricultural production rates, it is still unable to attain self-sufficiency in bread products. The gap between the production and consumption of bread products is due to the relative constancy of the area of cultivable lands and the low level of investment in the agricultural sector at a time when population was doubling.

The food gap (i.e. imports) in the area of bread products has varied from year to year. It decreased from 3.1 million tons in 1967-68 to 2.3 million tons in 1968-69. But it then tended to increase progressively until imports reached 6.4 million tons and 5.4 million tons in 1978 and 1979 respectively. The increase in the food gap in the area of bread products means that demand for those products is increasing at a higher rate than the increase in production, thereby resulting in a continuous increase in the rate of imports of bread products.

Figures indicate that the average consumption of bread products per capita has increased from 232.9 kgs in 1967-68 to 300.8 kgs in 1978, then dropped to 291.5 kgs in 1979. The average share of imports of bread products rose from 93.9 kgs to 161.4 and 131.2 kgs in 1978 and 1979 respectively.

Future Outlook

It can be seen from the preceding presentation that the country depends extensively on the outside world for closing the food gap between local production and consumption of bread products in Egypt. It is now certain that Egyptian production of bread products can meet only 46-55 percent of the volume of consumption in recent years. This is why it becomes important to present the picture of the situation in 1985 to 2000 with regard to the expected production and consumption of bread products, the expected shortage in that area and the means of meeting that shortage.

It is expected that production of bread products in 1985 will reach about 9.3 million tons and increase to 11.5 million tons in the year 2000, assuming that the same conditions and circumstances which prevailed from 1960 to 1979 will extend to the year 2000. The volume of overall consumption of bread products is expected to go up from 11.9 million tons in 1979 to 14.8 million tons in 1985, rising to 21.6 million tons in the year 2000, assuming that the same conditions which prevailed during the period from 1967-68 to 1979 will continue until the year 2000.

The projected gap between production and consumption in 1985 would fall somewhere between 4.99 million tons and 6.4 million tons. Some crops, like barley and rice, might register a surplus, but wheat and corn may develop serious shortages. The expected shortfall in wheat may vary between 5.3 and 6.6 million tons in 1985 and may rise to somewhere between 6.4 and 10.9 million tons in the year 2000. The shortfall in corn may vary between 87,000 and 1.047 million tons in the year 2000.

Recommendations

To tighten the food gap between the production and consumption of bread products, the CAPMAS study offered a number of recommendations:

1. Investments in agriculture, irrigation and drainage should be doubled, especially since the problems of that sector can no longer brook delay. Increased production is largely linked to increased investment spending on production. Attention should also be paid to drainage problems and soil improvement. Any efforts in that direction should not be delayed beyond the mid-1980's so that the continuous deterioration in the average food productivity may be stopped.
2. Detailed feasibility studies--both technical and economic--should be made with regard to projects designed to reclaim and cultivate land in various parts of the country. Emphasis should be placed on those lands which have a capacity for raising bread products, and they should be given priority in implementation.
3. The loss factor in making bread is somewhere between 10 and 30 percent due to carelessness and poor procedures. These procedures should be improved.
4. More wheat should be imported instead of more flour. For the same amount of money that would cost to import 1 ton of flour, we can be importing about 1.2 to 1.5 tons of wheat. This amount can produce 1 ton of flour plus about 0.3 to 0.4 ton of bran.
5. Greater efforts should be made to apply family planning and to lower the birth rate to every thousand annually so that the size of the population in the year 2000 would not exceed 57 million people instead of the projected 66 million if the birth increase continues at its present rate. The constant growth in population is the major cause of the constant increase in the consumption of bread products.

Table 1 Development of the Production of Bread Products and Its Relation to Total Production (in thousand tons)

| Period | Wheat | | Barley | | Rice | |
|---------|------------|-----------------------------|------------|-----------------------------|------------|-----------------------------|
| | Production | Percent of Grain Production | Production | Percent of Grain Production | Production | Percent of Grain Production |
| 1935-39 | 1,248 | 29.52 | 233 | 5.51 | 685 | 16.20 |
| 1940-44 | 1,197 | 27.76 | 254 | 5.89 | 736 | 17.07 |
| 1945-49 | 1,127 | 25.33 | 183 | 4.11 | 1,111 | 24.97 |
| 1950-54 | 1,318 | 30.37 | 105 | 2.42 | 830 | 19.12 |
| 1955-59 | 1,464 | 28.26 | 133 | 2.57 | 1,385 | 26.74 |
| 1960-64 | 1,504 | 27.38 | 142 | 2.40 | 1,784 | 30.11 |
| 1965-69 | 1,363 | 20.12 | 112 | 1.65 | 2,178 | 32.15 |
| 1970-74 | 1,716 | 22.74 | 90 | 1.19 | 2,432 | 32.23 |
| 1975 | 2,033 | 25.01 | 118 | 1.45 | 2,423 | 29.80 |
| 1976 | 1,960 | 23.93 | 123 | 1.50 | 2,300 | 28.09 |
| 1977 | 1,697 | 22.77 | 111 | 1.49 | 2,272 | 30.49 |
| 1978 | 1,933 | 23.53 | 132 | 1.61 | 2,351 | 28.62 |
| 1979 | 1,856 | 23.02 | 122 | 1.51 | 2,511 | 31.15 |

| Maize | | Corn | | Total Grain Output | |
|------------|----------------|------------|----------------|--------------------|----------------|
| Production | Output percent | Production | Output percent | Production | Output percent |
| 1935-39 | 37.98 | 456 | 10.79 | 4,228 | 100 |
| 1940-44 | 33.39 | 685 | 15.89 | 4,312 | 102 |
| 1945-49 | 32.27 | 593 | 13.32 | 4,450 | 105 |
| 1950-54 | 36.13 | 519 | 11.96 | 4,340 | 103 |
| 1955-59 | 31.35 | 574 | 11.08 | 5,180 | 123 |
| 1960-64 | 30.77 | 672 | 11.34 | 5,925 | 140 |
| 1965-69 | 33.49 | 853 | 12.59 | 6,775 | 160 |
| 1970-74 | 32.61 | 847 | 11.23 | 7,545 | 178 |
| 1975 | 34.21 | 775 | 9.53 | 8,130 | 192 |
| 1976 | 37.21 | 759 | 9.27 | 8,189 | 194 |
| 1977 | 36.55 | 648 | 8.70 | 7,452 | 176 |
| 1978 | 37.95 | 681 | 8.29 | 8,214 | 194 |
| 1979 | 36.44 | 635 | 7.88 | 8,062 | 191 |

Table 2 Course of National Consumption of Bread Products and Share of Imports in Period 1967-68 to 1979 (in thousand tons)

| Period | Wheat | | Maize | |
|---------|-------------------|---------|-------------------|---------|
| | Quantity Consumed | Imports | Quantity Consumed | Imports |
| 1967-68 | 3,539 | 2,816 | 2,101 | 271 |
| 1968-69 | 3,875 | 2,267 | 2,205 | - |
| 1970-71 | 3,900 | 2,706 | 2,258 | 178 |
| 1972 | 4,480 | 2,682 | 1,379 | 140 |
| 1973 | 4,771 | 3,270 | 2,460 | 210 |
| 1974 | 4,845 | 3,345 | 2,745 | 456 |
| 1975 | 5,380 | 3,714 | 2,951 | 513 |
| 1976 | 5,690 | 3,710 | 3,198 | 568 |
| 1977 | 6,195 | 4,453 | 2,873 | 585 |
| 1978 | 6,769 | 5,564 | 3,276 | 861 |
| 1979 | 7,018 | 4,906 | 2,944 | 473 |

| | Corn | White Rice | Barley | Total Bread Products | |
|---------|-------------------|-------------------|-------------------|----------------------|---------|
| | Quantity Consumed | Quantity Consumed | Quantity Consumed | Quantity Consumed | Imports |
| 1967-68 | 794 | 809 | 20 | 7,263 | 3,087 |
| 1968-69 | 817 | 895 | 23 | 7,815 | 2,267 |
| 1970-71 | 732 | 1,006 | 21 | 7,917 | 2,884 |
| 1972 | 760 | 1,204 | 17 | 8,840 | 2,822 |
| 1973 | 750 | 1,330 | 22 | 9,333 | 3,480 |
| 1974 | 769 | 1,334 | 19 | 9,712 | 3,801 |
| 1975 | 741 | 1,336 | 18 | 10,426 | 4,227 |
| 1976 | 698 | 1,340 | 29 | 10,955 | 4,278 |
| 1977 | 685 | 1,352 | 24 | 11,129 | 5,038 |
| 1978 | 584 | 1,319 | 29 | 11,977 | 6,425 |
| 1979 | 614 | 1,341 | 30 | 11,947 | 5,379 |

Table 3 Expected Surplus and Shortfall Between Production and Consumption of Bread Products in 1985, 1990, 2000
First Method*

| Year | Expected Production | | | Expected Consumption | | | Expected Shortage or Surplus | | |
|------------|---------------------|-------|--------|----------------------|--------|--------|------------------------------|--------|---------|
| | 1985 | 1990 | 2000 | 1985 | 1990 | 2000 | 1985 | 1990 | 2000 |
| Wheat | 2,078 | 2,226 | 2,522 | 8,705 | 10,294 | 13,471 | -6,627 | -8,068 | -10,949 |
| Barley | 152 | 174 | 216 | 32 | 37 | 45 | + 120 | + 137 | + 171 |
| White rice | 1,980 | 2,130 | 2,432 | 1,746 | 1,985 | 2,464 | + 234 | + 145 | - 32 |
| All corns | 4,224 | 4,575 | 5,276 | 4,361 | 4,791 | 5,652 | - 137 | - 216 | - 376 |
| Total | 8,434 | 9,105 | 10,446 | 14,844 | 17,107 | 21,632 | -6,410 | -8,002 | -11,186 |

Second Method**

| | | | | | | | | | |
|------------|-------|-------|--------|--------|--------|--------|--------|--------|---------|
| Wheat | 2,078 | 2,226 | 2,522 | 7,479 | 8,384 | 10,535 | -5,401 | -6,158 | - 8,013 |
| Barley | 152 | 174 | 216 | 33 | 37 | 46 | + 119 | + 137 | + 170 |
| White rice | 1,980 | 2,130 | 2,432 | 1,615 | 1,811 | 2,275 | + 365 | + 319 | + 157 |
| All corn | 4,224 | 4,575 | 5,276 | 4,489 | 5,031 | 6,323 | - 265 | - 456 | - 1,047 |
| Total | 8,434 | 9,105 | 10,446 | 13,616 | 15,263 | 19,179 | -5,182 | -6,158 | - 7,833 |

Third Method***

| | | | | | | | | | |
|------------|-------|-------|--------|--------|--------|--------|--------|--------|---------|
| Wheat | 2,078 | 2,226 | 2,522 | 7,375 | 8,015 | 8,937 | -5,297 | -5,789 | - 6,415 |
| Barley | 152 | 174 | 216 | 32 | 35 | 39 | + 120 | + 139 | + 177 |
| White rice | 1,980 | 2,130 | 2,432 | 1,593 | 1,731 | 1,930 | + 387 | + 387 | + 502 |
| All corns | 4,224 | 4,575 | 5,276 | 4,426 | 4,811 | 5,363 | - 202 | - 236 | - 87 |
| Total | 8,434 | 9,105 | 10,446 | 13,426 | 14,593 | 16,269 | -4,992 | -5,487 | - 5,823 |

* First Method is based on estimates of consumption course

** Second Method assumes increase in consumption is result of population growth with share per capita fixed at average level of 1975-79 period

*** Third Method assumes that consumption increase is result of population growth with share per capita fixed at average level of 1975-79, but also assumes that birth rate will decrease to one per thousand annually

EXPERT SCORES GOVERNMENT'S HANDLING OF LAND GRANT PROJECT

Cairo AL-AHRAM AL-IQTISADI in Arabic 3 Nov 80 pp 22-24

[Article by Dr 'Abd al-Mun'im Balba': "'Unintentional' Subversion in the Area of Food Security"]

[Text] I was recently part of a team of agronomy professors which visited the site of a project located in Al-Nahdah, an area adjacent to Alexandria, which was originally designed to grant land to agronomists. The purpose of the visit was to gain a firsthand insight into the progress achieved in that project and to talk to former students who, after graduating from Cairo University's college of agronomy, opted for land ownership in preference to government jobs. They were granted 30 feddans of land and they have been working them for some time now. For 4 hours, we listened to tales of gloom and woe, hope and optimism. Some lamented the loss of security and prominence that come with a good government job, others were not sorry to miss the monotony of a steady job and were determined to persevere in what they are doing until their dreams come true. But let's start from the beginning.

Before the revolution, there was only one college of agronomy located in Cairo University. Eventually, the Alexandria and 'Ayn Shams Universities established their own colleges. During the period when Cairo University's college of agronomy was the only one of its kind in the country, it began to graduate a growing number of agronomists in the years preceding the revolution, but Egypt's economic backwardness and stagnant society made it impossible to absorb that large number of agronomists. Unemployment spread among them, prompting the government to "grant" them reclaimed land so that they may pursue some productive activities and work. Although the terms of those grants required the beneficiaries to devote themselves entirely to the land, a large number of them sought other jobs or reenlisted in the university. The lands granted to them became something of a "fiefdom" rented to peasants who pay annual fees to the agronomists living in Cairo or some other city. The architects of the projects eventually realized that the project has failed to achieve its purpose, so they terminated it after having granted land to 2 or 3 generations of agronomists during the late 1930's and the early 1940's.

With the advent of the 23 July Revolution, college education became free and rightfully available to all high school graduates. The number of agronomy colleges increased from 3 to 11. But in all this, the experience of the past was

forgotten. As thousands of agronomists graduated from the 11 specialized colleges, they faced the same problems that had faced their predecessors. Job opportunities were few and no more than one-tenth of the agronomists could be absorbed.

I have been talking about the crisis of agronomy college graduates for some time now. And in all these occasions, I underscored the following points:

1. I am not an advocate of scaling down the size of college enrollment. Young Egyptians entering college still represent about 12 percent of the total number of college-age Egyptians (18-22 years). This percentage is far below levels in advanced countries.
2. The Egyptian society can absorb professionals whose work is related to the population. In a country where population is constantly growing, there is no harm in having more doctors, engineers (civil and mechanical), teachers, lawyers and other professionals whose talents and specializations can serve the population. A growing population has a growing need of the services of such professionals. Agronomists, however, are a different case. Because their occupation centers around agriculture, the need for their services is determined by the area of productive land. In Egypt, the area of such land is generally constant with some insubstantial increases. Therefore, the number of agronomists should only increase marginally.

Those who had made the decision to establish new universities should have taken this fact into account and expanded those colleges whose graduates are in greater demand because of a growing population and the concomitant growing needs of that population. There was no need to increase the number of agronomy colleges beyond the three that were in existence. But they went ahead and established 11 agronomy colleges in some 9 universities.

Who is responsible for that tragedy? Who is responsible for the squandering of public funds by building redundant colleges and not expanding the number of those colleges whose graduates are sorely needed by a growing population that is facing a shortage in population-related professions? Who is responsible for the despondence, despair and anguish of the graduates of 11 agronomy colleges who cannot find jobs or who, when they do locate jobs, find that they do not conform to the kind of profession which they have spent 4 years and a great deal of money and time to study.

When the state was finally persuaded that there is a crisis among agronomists, it distributed 33,000 feddans among 900 agronomists in the hope that this would alleviate the impact of the crisis. It never occurred to the state that at the very minimum some 4,000 agronomists graduate every year.

The Ministry of Land Reclamation, which runs that project, stipulated that the beneficiaries of the project should be employees of the government or the public sector, that they should have had some 20 years of professional experience, have family responsibilities and are highly salaried by virtue of their seniority in their present positions.

The project involves 33,000 at 600 pounds per feddan. This is a modest price in comparison to the expenditure undertaken by the public sector. The value of the land alone is over 20 million pounds. Construction loans were given to beneficiaries at a 6 percent interest rate. Although the state's interests are intact, in that the land ultimately belongs to it, the state is nevertheless responsible for helping the beneficiaries overcome the difficulties they are facing, especially if these difficulties are caused by the land given to them or the administrative authorities which are responsible for funding the project.

What do the beneficiaries say? Here is some of the points they make:

1. We were surprised to find out that the concessionary area was changed. We had to accept land that was not as good as the land originally promised to us and that has basic flaws. Indeed, we had to accept land that had not even been reclaimed, whereas the project was based on the premise that only reclaimed land would be given out. The land we received had basic defects in terms of irrigation and drainage. This of course requires changing the canal system and improving its drainage capability. We are, therefore, facing a shortage in irrigation water while the general drainage system is not working properly.
2. Most of us were unable to build a decent house because the housing loan was not given to us in one lump sum. In addition, the price-supported building materials which were promised to us were never delivered, and so we had to depend on the black market.
3. Because some of the land given to us had not been reclaimed, the management decided to pay 40 pounds for each feddan that needed reclamation. That sum only covers one-fifth of the expenses needed to bring a feddan into a minimum level of productivity.
4. All farmers in Egypt have the right to obtain short-term loans from loan banks to spend on production needs--seeds, services, harvesting, raising livestock, fattening calves etc. But the agronomists involved in this project do not enjoy that right. The Credit Institution refuses to grant them loans because their contracts are not ownership contracts. As far as that institution is concerned, they are neither land owners or farmers, but merely experts who are reclaiming land. Therefore, they are considered ineligible for loans from the loan banks. The agronomists in this project belong to the General Land Reclamation Co-op which earns enough subscriptions from all the co-ops that belong to it to have accumulated a capital which enables it to grant loans to any one of those co-ops.
5. Within 3 to 4 years, the "beneficiaries" were able nevertheless to reclaim most of their lands. Because of their proximity to Alexandria, they became vegetable growers. They were able to increase the productivity of those lands which had remained fallow for 8 years when they were under the control of the public sector. But that was not enough, because the marketing of vegetables is controlled by wholesale merchants. Any farmer who tries to break into the wholesale marketing business will find himself in jeopardy.

The agronomists sent a memo to the governor of Alexandria in which they proposed means and ways that would enable them to market their products to the consumer directly and at a price that is even below the official pricing level. They are still waiting for an answer. There is in Alexandria a so-called Society for Marketing Vegetables and Fruits. It is a co-op which had been set up to help farmers market their products. The agronomists in question are supposed to be members of it. Because of their social circumstances, they are no doubt capable of guiding the co-op in a direction that would benefit the producers.

6. Each agronomist has built a pen which can hold 20 animals and they all raise alfalfa in sizable areas to be used as feed. But they do not own the livestock for which the pens had been built and the alfalfa is planted. As a result, they have to sell the alfalfa to neighboring farmers for a low price. Why they do not own a sufficient number of livestock animals is because they do not have the necessary capital to do that. In their memo to the governor, they noted that their pens are large enough for 3,480 fattening calves a year and that they raise enough alfalfa to supply 1,740 tons of fattened calves every 6 months as a source of food for the city of Alexandria. The only obstacle, they added, is that loans are not available to them to enable them to do all that.

The beneficiaries in that area have been persevering for 4 years. Hope keeps them riveted to the good land. When they add up the money which the state has thus far saved by not paying them salaries, the losses which the public sector incurred over every one of the 33,000 feddans that laid fallow before they worked them and the remittances which they will make on any loans that are given to them and which they are making in payment of the price of the land, at an interest rate of 6 percent, they conclude that the government has not made a losing deal. In fact, the government is the one which has benefited most, they say, and yet it does not facilitate things for them so they may be fully settled in their new life and feel that they did not make the wrong decision or that their goals are pipe dreams.

The agronomists in question have exerted efforts which demonstrate their determination to succeed. Over a period of 8 years, they have turned most of the land which used to be swamps and reed bogs from a quagmire that syphoned off millions of pounds every year when it belonged to the public sector, to a land that produces vegetables, potatoes and melons. The production level of that land has been sustaining their hopes and determination to plod on until they achieve their goals.

My own impressions from that visit left me in a sad mood, despite the struggle and hard work of those colleagues and sons of mine. Why do we neglect our sons in such a fashion? As long as the state has determined that this project is one way of solving the crisis of thousands of agronomists which it has sent to 11 agronomy colleges every year, why then does it not fulfill its responsibilities? We have stipulated that the beneficiaries of the project should be leaders in their field and good family men--why then do we leave them in the

abyss, without drinking water, electricity, paved road, schools or a club? In fact, without any manifestation of civilization which makes them feel that they are living in the 1980's of the 20th century, and in the governorate of Alexandria! Why do people have to suffer in an age which is characterized by leisure and affluence? Why do we not appreciate and value efforts and achievements that express the civilizational standard which we have achieved? Why do we kill hope, instill despair in the hearts and drive our sons to run away--even to hell?

9254

CSO: 4802

GOVERNMENT EXCLUDING NRP ADVOCATED

Tel Aviv HA'ARETZ in Hebrew 7 Oct 80 p 9

[Article by Matti Golan: "An Alternative to the NRP"]

[Text] The Alignment-NRP partnership has been unfortunate. Even the joining of Likud with the NRP has not proven worthwhile. What has not yet been tried is a government which does not need the NRP.

Since the establishment of the State of Israel, there has never been a party for which, at one time or another, an alternative did not develop. In response to the various components called Likud, an alternative materialized in various Socialist parties at the center of which stood MAPAI [Workers' Party]. Against the independent Liberals there arose SHUNUI, Shulamit Aloni and the like. MAKI (somewhat anti-Soviet Communist Party) had RAKAH (pro-Soviet Communist Party). Uri Avneri had SHELI, and so on.

The one exception to this rule has been the religious parties. An alternative has never arisen either from outside or from within. In the past 32 years, the religious parties have been able to depend on an almost unchanging number of votes. Not once has the NRP--the main force in this group--had to face a real danger of significant loss.

The usual explanation for this phenomenon lies in the very essence of these parties, namely, their reliance not only on religion as a moral-spiritual ideology but also as a norm of political life. There is no doubt that one of the greatest political achievements in Israel has been the success of these parties in convincing the majority of the God-fearing public that they can depend only on them to preserve the Jewish cast of the state.

But it is hard to believe that this is the only reason, or even the main one, for this very unusual phenomenon. It appears that the traditional modes of thought of the general Israeli public and within the various parties has a part which does not come from the religious public.

To underestimate, one can say that the majority of the Israeli public stopped saying, even in the early years of the state, that the religious realm was not its affair. The reasoning was that there were only a few tens of thousands of voters, and it would be a shame to waste time on them. This was not only because

the chances of a contest over this group were slim, but also because the damage they might do, if anything, was not great.

In this way, a situation was created whereby, while everyone was fighting everyone else--Right against Left, doves against hawks--the religious parties were generally left to themselves, and they have been able to collect their support without having to come up against any real opposition.

Over time, a situation has been created that looks a lot like a silent agreement on the part of the major parties in their attitude towards the religious parties. The relationship within the voting system has not been at all like that of political rivals but rather like that of potential partners in the government that is established after elections, whether we are talking about an active partnership with the NRP or a passive partnership with Agudat Israel and the Labour Party of Agudat Israel. Since they have always been blessed with clever and realistic leaders, the religious parties have not wanted more than they had. This was, in part, because they knew that their capacity to attract followers was limited by their nature to the religious camp and partly because they already had what they wanted.

A System of Lies

In the past, MAPAI (and later Alignment) ran the State. Today, Likud is doing so. When, however, you take a look at the overall balance of influence on the Israeli citizen--his values, his conduct and his thoughts--you see that neither of the major parties has the degree of influence that the NRP had and still has.

And this is true not only in the realm of religion, as is mistakenly believed, but rather in every issue: politics, security, and, above all, in norms of living.

There is no need to multiply examples with respect to the political-security area during the Likud years. It is impossible to exaggerate the influence of the NRP on the government's policy concerning settlements. Despite Menahem Begin's own inner conviction on this subject, one can certainly assume that he would have conducted himself otherwise had he felt the NRP or one of its factions breathing down his neck. And most of Arik Sharon's battles would have ended before they began had it not been for the religious recruits who stood at his bidding, at least at the start of the government's actions.

But it was true even before that. When she brought the NRP into her government, Golda Meir announced publicly, as the result of yielding to a condition in writing, that any withdrawal from the West Bank would have to be accompanied by general elections. Yitzhak Rabin continued with this obligation which dictated in 1974 that he oppose discussions with King Hussein who had been waiting for a long time for this. Both of them were no better than Begin--if less noisy--on the subject of settlements.

It should be emphasized that the NRP was not alone. They had partners in the various governments who agreed with their opinions and positions. But in these areas as in many others, they represented, like in the coalition, the language of scales. If their weight had not been placed on the scales, things might have been different.

This is not the case with respect to norms of living. Here they had partners who, at times, were sharply opposed to them in terms of opinions and position. With their help, the NRP achieved all, or most, of their goals at a very high price for Israeli society.

This did not begin today or 5 or 10 years ago. It began in the beginning. It is very strange, in looking back, that a man like David Ben-Gurion, who put all his political eggs in the basket of the Lavon affair because he did not see how one could build a proper society on the basis of lies, could participate in the establishment of a system of lies which is one of the main causes of the deterioration of Israeli society. More understandable is the indifference of Menahem Begin who, to all intents and purposes, is not really alive at all to the issue.

How is it possible to educate a nation to civil integrity in the face of a system which institutionalizes the giving of political bribes by means of grants to yeshivot? Aharon Abu-Hatseira was suspected of putting money designated for yeshivot into his own pocket. But no one has been questioned about their responsibility for a system which pours millions of shekels into the religious sector almost without any kind of real supervision. Lining one's pocket is, of course, a criminal offense which must be punished. But from a civil point of view, as compared to the criminal, is there really a difference between this instance and the division of spoils in order to gain political positions of power?

How is it possible to foster a consciousness of righteousness and of good citizenship when the evasion of army service is ignored by the law of the land?

How can one explain that it is not as bad as emigration? How can we expect the youth to respect the law when they are being forced to swear something they do not believe in or to get married in Cyprus in order to get around a law they do not understand?

Has anyone calculated the cost to the nation's unity of the separation between state and religious education? Whoever has not done so can go for a demonstration to the junction of Herzog and the Valley of the Cross Streets in Jerusalem. He will see there two new and lovely buildings which serve as primary schools--named after David and Pola Ben-Gurion. One is religious, the other secular. If the visitor waits till recess, he can see the students, ages 6-10, standing on opposite sides of the fence calling out "doss" [derogatory slang for religious] and "goy" [gentile] one to the other. This fence continues to split the two camps even after the school day is over.

In the Name of Compromise

But this is exactly what the NRP wants. Consciously or unconsciously, it is interested in encouraging a split. If the orthodox boy believes that the secular one is a "goy," and if he grows up and is educated on the other side of the fence, then the chances are good that he is unlikely, as an adult, to lend his support to those on the opposite side of the fence. This split and separation are essential to the NRP. They are its life and sustenance.

Those who helped the NRP to develop these norms always justified their actions by reference to "political reality." The saying "one has to know how to compromise" has become 'mortmain' and one of the outstanding signs of an effective political leader. Perhaps we are all to blame for not seeing sooner that what we were calling compromise had grown into norms of deceit, double standards, and divisiveness.

The likelihood that one of the existing political parties will seriously work for a change is nil. What is the solution? I am tempted to say, even to hope, that a substantial part of the orthodox public will change its way of voting. But such a development appears to be unrealistic. One must, therefore, seek the solution in a radical change in the traditional thought patterns of the secular voter. He must understand once and for all that his problem at present is not finding an alternative to Likud or Alignment but, rather, an alternative to the NRP.

Four years ago, the public found the courage to bring about the first political revolution and to bring down the Alignment from power. Now it must bring down the NRP from power. This can only happen if it gives one of the secular political parties a decisive majority or close to it. Only in this way can that party establish a government without the NRP. And if the NRP does have a part, it will not be a particularly powerful one.

There are not many possibilities. Likud or Alignment. If one accepts the fact that the alternative to the NRP lies in a basic order of preference, then the citizen must make a realistic choice between the two. Undoubtedly, this way of thinking leads to the Alignment. In other words, the voter has to ask himself if he wants the NRP to continue its powerful participation. This is the relevant consideration. Every other consideration, in the final analysis, plays into the hands of the NRP. Let there be no doubt of this. Conventional considerations will lead once again to a government in which the NRP will once again be the tongue of the scales. If this occurs, it will make very little difference which party puts together such a government. Fact: the Alignment-NRP partnership was a failure. The Likud-NRP combination has not proven itself either. What has not yet been tried is a government which does not need the NRP.

9348

CSO: 4805

LABOR PARTY STRUGGLE ANALYZED

Tel Aviv HA'ARETZ in Hebrew 4 Aug 80 p 9

[Article by Amnon Barzilay: "The Struggle for Second Place"]

Text In the invisible battle within the Labor Party, Rabin is struggling with Bar-Lev for the position of Defense Minister.

On Wednesday evening, when the last of the Knesset members had left the hall of the Knesset and were on their way home, the countdown began. The view of the political battle which had been hazy in recent weeks became clear. All of the party factions were racing against the clock. And the winner of this dramatic race was the Likud government. The government did not fall. Despite the desertions and retirements, despite Prime Minister Menahem Begin's illness, the last remnants succeeded in using their remaining strength to hold up the tottering walls of the coalition. And, in contrast to the disappointment felt by the leader of the Labor Party, MK Shimon Peres, whose predictions were proved false, Menahem Begin and Peres' greatest rival in his party, former Prime Minister Yitzhak Rabin, were greatly relieved.

For various reasons, Rabin and Begin shared a common desire to end the summer session of the Knesset without a government crisis and without having the government fall. Begin and Rabin succeeded. Both were given time extensions. The first now has a chance to complete a term of four years. The second has the chance to realize the "option" of battling for the leadership of the Labor Party and being chosen to head the government.

There were two sides to the tireless struggle of Peres to topple the Likud government. One was straightforward and clear. The government is bad. It is causing harm to Israel, and the failing Likud ought to go back where it came from, the opposition. The other, more hidden, side, which pushed Peres to make every effort to have early elections, involved internal party considerations.

A cruel calendar and the threat of a contest not yet announced by Rabin dictate Peres' moves. This contest was said to take place before the nation, in the hall of culture, and in the party convention. If the government had fallen, the order of priorities would have been different. The fall of the Likud government before the beginning of the summer recess would have necessitated that elections for the

tenth Knesset take place in November-December of this year. Who would have time, then, to think about a party convention? Who would have allowed Rabin to square off against Peres over the leadership of the party? All the resources of the Labor Party would have been directed at the larger contest of elections in the Knesset.

An Official Announcement in September

The success of the government coalition in hanging on does away with the last chance for holding elections in the Knesset this year. Even if the government should fall during the extended recess (which will end only in mid-October), it will not be possible to dissolve the Knesset until the Fall session. And only in the Fall session will it be possible to change the election law and set a date for the coming elections. All the parliamentary procedures connected with this push the day of elections back to Spring or the beginning of Summer 1981 (March-June 1981). Yesterday, it was said that Begin would push for elections in May-June 1981. Thus, a clear calendar has been set, and the processes within the Labor Party have also been accelerated. These include organizational preparations for the party conference in December and preparations within Rabin's camp for the struggle in the conference theatre against Peres.

In addition to removing doubts about the matter of convening the party conference, Rabin's people are also feeling a sense of confidence that their candidate will bring about the "option." The basic plan was that Rabin would announce the contest immediately at the beginning of the summer recess, when it was already clear that the government would continue in power at least until Spring '81. For technical reasons, and because many are on vacation during the month of August (including senior workers in his camp), Rabin decided to put off the official announcement until September. His people felt that two and a half months before the convention was a comfortable and reasonable time to break through for the "finish."

Positions of Power--Earned

The campaign being waged by Rabin against Peres is complex. This is especially so since, unlike previous struggles between them, the results seem, at first glance, clear. Peres' people haven't the slightest doubt about Peres winning over Rabin. The only argument is about what percent of the total delegates at the convention (or in the central committee) Rabin will get. The estimates range from 20 to 40 percent. But, unlike previous contests between the two, Rabin has no false hopes, or, at least, that is how he presents himself. He doesn't exude an air of confidence as though the victory were in his pocket. Rabin, say his followers, will see even 40 percent as a big accomplishment. And when the foci of power within the party get ready to offer Rabin the second top position in the party, including the defense portfolio, then the confusion and incomprehension grow. Why the struggle when the powerful people in the party from both camps are prepared to give all these honors to Rabin on a silver platter?

In Rabin's camp, they speak openly about this. They don't believe in promises. What happened to the Mayor of Herzliya, Yosef Nevo, who failed to get the

appointment for chairman of the municipal committee of the party despite promises from Peres, can happen with a more central post as well. But there are other considerations which lead Rabin's camp towards operating under the slogan "despite everything, there must be a struggle." Among these is the desire to attain positions of power within the party on the basis of merit rather than grace. The conclusion is that it is possible today to establish, in the gaps created by the party, a delimited group and camp force, a kind of organization which can attain what it wants at the party level and, in the future, at the ministerial level--a power base.

Rabin's followers revealed something else. They are capable of building a greater force which can embrace the entire party. This would constitute a force which would substitute for the Bet-Berel circle which broke up. In its time the above group accumulated a great deal of credit. Participating in its establishment were the two kibbutz movements, heads of the Histadrut administration led by Ya'acov Levinson, several heads of the professional union led by Israel Caesar, heads of the Haifa and Jerusalem districts, Uri Agami and MK Uzi Bar'am. But the group broke up because of the late Yigal Allon. In a contest between him and Peres, the Kibbutz Meuhad (United Kibbutz) preferred Allon. The Ihud (Confederation) went largely with Peres. Since then, the initiators of Bet-Berel have been licking their wounds.

The Bet-Berel group did not have a leader of national stature. All eyes were turned towards Mussa Harif and to Levinson who at this early stage "couldn't deliver the merchandise." The feeling is that these two need time and political experience at a governmental level before they can head a camp.

The Bet-Berel group who joined with Rabin include Nevo, Uri Agami, Aharon Nahmias (mayor of Safad), Menahem Ariav (mayor of Nazareth) and the entire Kibbutz Meuhad led by Danny Rosolio and Ya'acov Tsur. The heads of Ihud, Harif, MK Avraham Katz-Oz and Nahum Pessa (chairman of the Center for Culture and Education of the Histadrut), are disturbed by the fact that now a select and large nucleus of Ihud kibbutzim are following Rabin, in addition to a strong urban group headed by MK Ora Namir. The founder of the earlier Bet-Berel who are now going with Peres have a serious problem. In the atmosphere created in the Rabin camp, Rabin is taking on the "spirit" that belonged to Bet-Berel. And it is no accident that the "Ihud" activists who support Rabin met on the Sabbath at Bet-Berel.

People like Mussa Harif, Katz-Oz and Pessa, and even Ya'acov Levinson suddenly find themselves out of the action. They don't belong to Rabin's camp. On the other hand, they are deep in battle with the group "In Unity," headed by MK Eliahu Speiser, MK Tamar Eshel and Dov Ben-Merr, which supports Peres.

Bar-Lev or Rabin

Levinson and Harif fell between Peres and Rabin. Nevertheless, their places among the "starting ten" of Alignment's list for the Knesset is almost assured. But they too, like Rabin and his followers, want to assure their positions by dint of their strength. Rabin "stole" people for them in the same way that the late Allon

did before him. And their problem now is more serious. Only the Kibbutz Meuhad followed Allon. Many from Ihud follow Rabin. This is the explanation for the fact that Levinson went to the heads of the collective agricultural settlement, including the movement of the moshavim, in an almost desperate attempt to assure the "number two" spot in the party to Rabin.

Levinson and the Ihud leaders can only build themselves political power if things are quiet in the party. This can only happen if Rabin's position is assured enough so that he doesn't need a separate camp behind him. Only then will the heads of the Kibbutz Meuhad movement and the leaders of the Histadrut administration headed by Levinson be able to get back to their original plan to build the central force in the party.

In the unridled struggle, which is in force without having been announced, mistakes are being made in evaluations because of an optical illusion. Rabin, who is privy to a greater political force than that held by Peres, is actually fighting for the post of defense minister. Only on the face of it is the struggle for the leadership of the party. More accurately, the struggle is between two Palmah (striking force of Haganah) members, former Ahdut Avodah (Unity of Labor Party) members Major-General Rabin against Major-General Haim Bar-Lev for the defense portfolio. That is the true battle. Peres prefers Bar-Lev. But the secretary general of the party, who has not succeeded in building a political power base for himself since he was appointed to the position (by the grace of the late Allon), needs the protection offered by Peres.

Amid the storm of dramatic developments within the Labor Party, there is also this. Peres, a former member of Rafi, has fought in the past and in the present with Rafi activists, leaders of the military industry and the defense establishment, members of the Labor Party (some of them active in (ALEF)), for Bar-Lev. The reason is clear. Despite Bar-Lev's military qualifications, and no one contests these, his political position is weaker. If he becomes defense minister, it will be by the grace of Peres. He will not be able, like Moshe Dayan and Shimon Peres during their tenure in the defense ministry, to build a political power base in the defense establishment.

The loyal Bar-Lev will work very compatibly with whoever gets him the position. Thus, the true contest in the Labor Party is not over the leadership of the party, although this position, like that of the head of government, is not yet sewed up by Peres. The covert battle in the Labor Party, which is growing bigger, is over the leadership of the defense establishment--Bar-Lev vs. Rabin.

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CSO: 4805

ISRAEL

RESIGNATION OF BEGIN GOVERNMENT URGED

Tel Aviv DAVAR in Hebrew 18 Aug 80 p 7

[Article by Hagai Eshed: "Without Honor, Without Shame: Begin Is Trying To Hide His Situation By Throwing Mud At His Opponents"]

[Text] Let us say that tomorrow a fistfight breaks out between several ministers in the course of a government session. Perhaps there are also some hard shoves between Agriculture Minister Ariel Sharon and the Minister of Transportation, Haim Landau, who asks Sharon why he hasn't resigned. Would Prime Minister Menahem Begin still ignore this "new norm" for conducting daily business and continue to boast about the length of tenure of this government compared to all its predecessors? When he brags about this long period of time, doesn't he see or understand the reason for it? Even the "shining example" of the previous prime minister, Yitzhak Rabin, which is not the best example, is sufficient answer for this question. According to the results, this example was not so shining, but it had a reason embedded in the desire to guard the law and the spirit of the law, compulsory norms for coalitionary behavior. This was the last example of a norm which was imposed on all the previous governments and according to which there are rules of state as to what is allowed and forbidden--legally and educationally--which the government must honor and adopt for itself.

Menahem Begin loves to compare himself to David Ben-Gurion even though he is not half as good. Does Menahem Begin really not understand why Ben-Gurion would go to the president from time to time to call for early elections or to put together a new government even without elections? Unlike Menahem Begin, David Ben-Gurion had a concept of pride, and he had a sharp sense of discrimination concerning the concept of fulfilling the positive and negative commandments, of the rules governing what is allowed and what is not allowed, of the existence of the prohibition, "Be killed rather than transgress." And this is how all the previous prime ministers of Israel behaved when they handed in their resignations or when they caused a coalition crisis even when they didn't have to.

Menahem Begin has proved time and again that he is the polar opposite of David Ben-Gurion in a matter which is the essence of Jewish ethics in every possible interpretation and application. It is also the essence of the renewed Israeli statehood. Menahem Begin grinds it into the dirt as long as he continues to boast about the longevity of the government under his leadership. This is a prime

minister who has lost all feelings of honor and shame and who does not behave according to any rules of what is allowed and not allowed. He will not step down for anything--even if he has to roll around in the dirt and mud along with all the ministers and Knesset members who will vote for a continuation of the wallowing, and even if, tomorrow, there is an outbreak of fistfights among its members.

This government exists not only without pride or shame but also without strategy or tactics. And there is, of course, a connection between the two. Does the government believe in the existence of the peace agreement with Egypt and in the normalization of relations between the two nations even if the treading water of the exchange of letters continues instead of discussion, even if the present situation continues of the absence of any effort to solve the Palestinian problem or of any progress toward the realization of the recognition of the legitimate rights of the Palestinian people? Doesn't the government believe that this situation will have an adverse effect on Israeli-U.S. relations in the short run as well as in the long run?

It was fine for the government to try to make peace, even at a great cost. It was fine for it to withdraw from territory conquered in exchange for peace and security and improved relations with the U.S. But suppose it turns out that the exchange does not work out well, even if the Egyptians and the Americans are to blame in not honoring the agreement and its spirit. Suppose that after the withdrawal, Israel is left with a dubious peace, with fewer vital security positions, and with a deepening political isolation and a continued deterioration of relations with the U.S. After all that, can the government continue to act and to speak as though this were not the case and as though its political strategy were not tottering, as though it had not brought us to a tactical impasse and to a passive waiting till after the elections in November while President Sadat is the only one to profit from this paralysis?

Menahem Begin is trying to cover up his current state by throwing mud at the Alignment and at its leader, Shimon Peres. Unfortunately, Yitzhak Rabin is giving him ammunition to do this. But even if Begin succeeds in insulting the Labor Party, he will not, in doing so, add any honor for himself or his government. For the hundredth time, we are being told of the appointment soon of new defense and foreign ministers, of the completion of the staffing of the government and of a renewal of efforts to "consolidate the Likud." Who can treat such a government with seriousness and respect no matter what its composition? Who does not see that this is a government which has lost all sense of shame and which, after its policy has run aground, refuses to step down?

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EBAN CRITICIZED RABIN'S FOUR 'NOES'

Tel Aviv DAVAR in Hebrew 15 Aug 80 p 14

[Article by Abba Eban: "Not Through 'Noes'"]

[Text] Yitzhak Rabin's "Noes" are creating a false consensus between Geula Cohen and Rabin, between "Gush Emunim" and "Peace Now," and between the Alignment and Likud.

Yitzhak Rabin is proposing that the Labor movement base its policy on four negative principles: not to return to the June 4, 1967 borders; not to divide Jerusalem; not to agree to a separate Palestinian State; and not to negotiate with the PLO. Yitzhak Rabin believes that these axioms can serve as the basis for a "consensus" between Alignment and Likud. He sees in them effective tools for the enlightenment of high level people outside the country, past rulers and future presidents, and expects that elements of this quarter will sound in their ears with a great force of solemnity and with emphasis. They will rush home, overwhelmed by the clearmindedness and eloquent expression of the Labor movement. If the Labor movement is determined to appear weak in the eyes of the nation, it has only to accept this advice. The public will react with justified ridicule to a party which was engaged for 29 years in a position of leadership and 4 years in opposition and which now is speaking up in order to explain what it does not intend to do if it again gains the trust of voters. For a party which aspires to national leadership, the question is what it stands for and not just what it will continue to oppose. The hallmark of a government is active decisionmaking and not just passive opposition. Yitzhak Rabin's four items are no less true than Geula Cohen's Jerusalem Law--and no more useful. There is no hint in them of the unique vision of our movement with respect to options for peace in this region. "There shall be no return to the June 4, 1967 borders." True, but what is the Labor movement's approach to the problem of the borders? Does it, like Menahem Begin, favor continued Israeli rule over all the territories or does it have other options in mind? "Jerusalem must not be divided." Certainly. But what satisfaction are we willing to give to universal religious interests and the personal status of Arab residents in the united Israeli capital? "We must not agree to a separate Palestinian State." But, if so, what does the Labor Party propose in order to open up other possibilities for expressing the rights of the Arabs who are residents of the occupied territories in relation to their clear attachment to

the Arab world? "There should be no negotiating with the PLO." Definitely not. But what are the conditions and principles according to which we will progress positively towards a dialogue with the representatives of the neighboring people in the event that they see the need to act reasonably? [sentence inserted and ? sentence missing] This would not be straightforward. A party which is working to oust its opposition and take their place must, indeed, clarify in which ways it differs and in which ways it is the same. "...that he did not make us like them or our fate like theirs." "Consensus" is not a democratic word at all. If our policy is the same as that of Likud, why should they be replaced at all? And if, indeed, our policy does differ, is it not our responsibility to make clear the difference? If there are difficult and painful elements in our scheme of things, it is doubly important that we be courageous and explain to the public that we are not proposing an easy life. The State of Israel does not need slogans which are smooth and suitable for everyone. It is true that in the policy of the Labor Party, there are several clear elements of stubbornness and "nay-saying." But this is only part of our policy. And one of the main points of wisdom for a public servant is to understand that a half truth is closer to a lie than to the truth.

Consensus based on negatives is only an illusion. The principle of "not returning to the June 4, 1967 borders" "unites" those who believe in "not a foot" with others who are prepared to give back large areas densely populated by Arabs to the Kingdom of Jordan within the framework of a peace agreement. The principle of "an undivided Jerusalem" unites those who agree to a unique status for the Moslem holy places with others who would not agree with this idea. The principle of "no Palestinian State" creates an apparent partnership between those prepared to agree to the establishment of a Jordanian-Palestinian federation or a confederation which would leave the residents of Judaea and Samaria and Gaza outside the jurisdiction of Israel and those who support exclusive Israeli rule except for several municipal positions of authority under the guise of full autonomy. The saying, "no negotiations with the PLO" unites under one banner those who want to avoid all contact with the neighboring nation with those who want to encourage the existence of a different Palestinian leadership which would turn away from its hostile front and think seriously about ways of coexisting with the State of Israel. Finally, the four "noes" are likely to bring about a joke of a consensus between Geula Cohen and Yitzhak Rabin, between "Gush Emunim" and "Peace Now," between Rabbi Kahana and Mapam (United Workers Party), between Alinment and Likud. There is in this a disregard for the rule: "Something which is acceptable to everyone has no meaning." The formula of the "noes" has the same simple-mindedness--but not the same magic--as the tricks of a magician at a children's party.

For, if the truth be known, the relationship between the policies of Likud and Alinment is one of opposition and not of harmony. The concepts of the "State of Israel," "Zionism," "settlement," "Palestinians," "peace in the region," appear to us in different images than those imagined by Revisionist Zionism. The fundamental determining principle of the Labor movement is that "we do not agree with permanent control by Israel of the 1,200,000 Arabs of Judaea, Samaria and Gaza." Whoever does not weave this principle into the center of his dialogue with those outside of Israel is leading them astray. The ideological division between Alinment and Likud with respect to everything concerning the 1,200,000 Arabs is not superficial. It is deep and many-faceted. Whoever says that Arab rule in

Nablus is "foreign rule" while Israeli rule is "natural" is saying something so outlandish and unbalanced that the clear and pragmatic tradition of the Labor movement cannot tolerate it even within the forgiving realm of campaign rhetoric. And there is no guarantee to the tactic proposed for consolidating a consensus in the political realm, by pulling the strings of a language to the limits of its flexibility, and, at the same time, sharpening the confrontation with Likud with respect to economic and social problems. For if, with the help of the language, which holds life and death in its hands, it is possible to forge a political consensus, then why pass up a no less brilliant exercise in the economic and social realms? Would it be so hard for someone with any language ability to come up with a quartet of slogans in this area?

*Not to be dragged off by galloping inflation;

*Not to accept unemployment;

*Not to establish a wide deficit in the balance of payments by increasing international debts;

*Not to make things difficult for the distressed classes and for young couples.

If there is something wonderful about the four consensus points, then eight points will just double the blessing, and whoever increases the consensus shall be praised.

The Labor movement will arrive at a renewal of its mission with regard to leadership of the nation this year or next year in a scarred atmosphere. The land continues to be scorched--in part, thanks to conditions created by the international situation, in part on the heels of delusions and oversights on the part of the Israeli government. Our movement will not earn the trust of the public nor will it be worthy of it if it does not raise itself to its full height and strive towards its goals in the framework of its values and its unique thought patterns. It must place its confidence not in a false consensus but, rather, in a constellation of its balanced, independent, and unique ideas.

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'PEACE NOW' MOVEMENT ANALYZED

Tel Aviv AL HAMISHMAR in Hebrew 1 Oct 80 p 3

[Article by Yitzhak Shur: "Politics Is Not a Dirty Word"]

[Text] The Yom Kippur War in October of 1973 influenced broad strata of the youth in Israel to change their attitudes towards politics. Shministim [high school seniors] about to be called up for the military, soldiers and officers in the reserves, stopped seeing politics as a "dirty word." They began to take stands and to go out into the streets.

The involvement of this group in politics stemmed not only from their lack of faith in the ability of the old generation of leaders to free themselves from the "conception" and to bring Israel out of the chaos of war and onto a road which might eventually lead to peace. The source of their motivation to become involved in politics was also fear of their personal fate as soldiers in the next war. These youths were no longer satisfied with the fatalistic slogan which circulated among Shministim on the eve of their call-up to the Army--"See you on the memorial calendar."

These extraparliamentary protest movements brought about a change in the political map in Israel. In the first year after the war, Defense Minister Moshe Dayan resigned, and, later, Prime Minister Golda Meir also resigned. That extraparliamentary process culminated in the convergence of the protest movements and the establishment of the DMC [Democratic Movement for Change] which contributed more than any other party to the "revolutionary change" in the political map. In May of 1977, the Likud, headed by Menahem Begin, rose to power.

At first, these were changes of person within the ruling party. Later, it was a change of ruling parties. "Change for the sake of change," as the DMC learned, demonstrated the existence of a great gap between the ethics of intentions and political outcomes. The splitting of the DMC into six factions within 3 years attests to the fact that without the ideological glue, without a political tradition and culture, there is no sense in change in and of itself.

What Is the Difference Between the DMC and Peace Now?

The comparison between the DMC and "Peace Now" is almost insulting because the DMC degenerated, whereas the "Peace Now" movement has preserved its character as a

protest movement, and it refuses to become institutionalized and turn into a political party. The beginnings of the "Peace Now" movement go back to March 1978. At that time, a group of 348 soldiers and officers, all members of battle units in the IDF, organized in Jerusalem and sent a letter to Prime Minister Menahem Begin, calling on him to choose peace over a complete Israel. Those same soldiers and officers called on the prime minister to choose a democratic Zionist state over a state whose character would be determined by its capacity to control the fate of 1.25 million Arabs in the occupied territories. This policy of Begin is likely to restore Israel to the impasse which existed until Sadat's visit to Jerusalem in November 1977.

The similarity between the youth protest movements which developed after the Yom Kippur War of October 1973 and the "Peace Now" movements which arose 5 years later is only superficial.

- a) In contrast to the DMC, which sought change for the sake of change, especially at the ministerial level, the "Peace Now" movement seeks a change of policy.
- b) In comparison with the protest movements of 1973, the "Peace Now" movement has no "leaders." In a very premeditated way, this movement conceals its activists and underscores the principle: the issue for which the movement was established.
- c) In contrast to the protest movements which gave birth to a parliamentary DMC, the "Peace Now" movement defined itself as an extraparliamentary movement whose goal would be to become a pressure group opposing the hawkish tendencies within the Knesset and outside it, and to serve as an umbrella for all the dovish Zionist forces which have been split in their voting among Labor, MAPAM (United Workers' Party), SHELI, SHINUI, RATZ, small liberal groups in Likud and even in the NRP ("Strength and Peace").

The Strength and Weakness of Peace Now

The strength of the "Peace Now" movement is also its weakness. As an extraparliamentary movement, it has no chance of influencing appointments within the parties to government posts. With all due respect for the party platform, in political life, appointments are what count. "Elections as well as what are called revolutions always have one principle in common: the feeding trough of the state, where the victors yearn to stuff themselves." So wrote Max Baer in his book, "Politics as Vocation" (Shocken, 5722/1942, p 22).

"Peace Now" believes in the "existence of a great public movement which reacts at every moment to what is happening, and which represents a day-to-day national poll. By being unconnected to any party framework, it represents the closest sample to actual elections without replacing them." In the elections, they say, their movement often expresses its views without any connection to an existing political party and without taking the place of any existing party. The "Peace Now" movement operates entirely on a voluntary basis and has no paid staff. Likewise, it has no hierarchical organization.

This is attractive in certain ways, no doubt, to various groups of Leftist youth who want to remain "pure," and who don't want to "dirty themselves with politics"

on a daily basis, the kind tied to give and take, to the financing of parties, and to agreements between and within parties. But this situation also "assures" a weakening and dwindling of the numbers of "Peace Now" because of practical problems of its members, burnout, and the search for a personal career.

What Will Peace Now Do Without Begin?

Paradoxically, one can say that the "Peace Now" movement requires, for its continued existence, Menahem Begin, Ariel Sharon and Gush Emunim. What will this movement do if and when the Labor movement returns to power and adopts a policy of extensive compromise with our neighbors? Serious people like those in "Peace Now" will not be satisfied for long with protests. Those who are not attached to political parties will have to define themselves and join a political party which, by its nature, is not only long-lasting, but has an established organization, budgets, and a platform which relates to the totality of life and not just to the political sector. A protest movement is based on opposition to what is, whereas a political party which is prepared to become a part of the government has to offer practical answers as well in a positive way.

The discussions which leaders of MAPAM held with a branch of "Peace Now" constitute a step towards self-definition on the part of the activists in this movement who are not yet members of parties.

The Future of the Left Depends on the Involvement of the Youth

The future of the left in Israel and the future of the "Peace Now" movement depend on the ability of the parties and of the organizers of the youth movement to increase the involvement of Israeli youth in political life in Israel. What is happening today in this area and what must be done to strengthen the participation of the youth in political life?

In order to understand the present reality, we must turn to the past. The stoppage of the flow of workers in education by means of the "State Education Law of 1953" created an ideological and political gap in the state schools. The intense involvement of teachers and parents in schools for the children of workers gave way to indifference within a pale and congealed "ideology" of "statehood." This emptiness did not affect the religious factions. The latter preserved a high degree of involvement, and, moreover, an internal unity among the three central educational forces--the parents' association, the school and the youth movement. The strength of the youth movement comes from its being based on same age youth groups, especially among adolescents.

Only in recent years has the involvement of the youth movement in schools been allowed once again in the form of leaders being allowed to come at recess times and sometimes even to regular classes in order to "organize" students. The excitement of renewal which existed at the time of the establishment of the State and of Jewish statehood has passed. In its place has come anxiety about education for values and for the image of the school. The last two ministers of education, Aharon Yadlin (Labour) and Zevulun Hammer (NRP) were in their youth central figures in their youth movements. During the last six years, both have demonstrated a warm relationship with the youth movements. On the face of it, schools were open before youth movements. The power of social reality, is stronger than all the declarations of sympathy, even those that come from ministers of education.

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WARNING AGAINST OVEROPTIMISM IN ALIGNMENT

Tel Aviv AL HAMISHMAR in Hebrew 16 Sep 80 p 3

["Article by Moshe Zartal: Warning: The Public Opinion Polls"]

[Text] Public opinion polls have been published each month recently, (polls) which try to reflect the positions of the public and its moods in time for the forthcoming elections to the 10th Knesset. It is a matter for statisticians, experts in mass communication, public opinion researchers and others to determine the authenticity and the reliability of these polls and the reasons a certain kind of model is chosen. This article wants to deal with only one aspect of what the polls show, namely, the excessive optimism the results cause in the ranks of the Alignment.

In July, the polls of Dr Mina Tzemah and of the PORI institute showed that for the first time the Alignment went beyond the 50 percent mark, meaning that it can have an absolute majority in the 10th Knesset. Mina Tzemah's poll from August shows a slight decline for the Alignment (59 mandates compared to 61 in July) and a slight rise for the Likud (28 mandates compared to 24 in July), a rise achieved at the expense of the NRP and the Alignment. Anyway, it is still an impressive achievement for the Alignment. This fact, as it has been presented for months by the polls, can become a narcotic for the Alignment, and especially for the members of the Labor party. There is nothing more dangerous than the feeling that victory will fall into the hands of the Alignment as a ripe fruit because of the failures of the Begin government. It is liable to relax the vigilance and the preparedness for the real struggle over public opinion and over the individual vote.

Public opinion polls, whatever their influence on the public really is, are not treated with indifference and lack of interest. The party machines and the party activists follow the polls and try to draw the conclusions. The question is whether they would be able to read them right, whether the Alignment would not fall into a trap of optimism and confidence which would end in bitter disappointment.

Expression of a Gloomy Mood

It has to be kept in mind that, basically the polls reflect the gloomy mood of the public because of the internal situation during the time of the Begin government, and not a longing for an Alignment government, whose failures the public still remembers. The polls show that 40 percent of the public are still undecided. This picture contains many changes and surprises. It is still not clear what the forces

in the picture are, and even after the sad affair of the DMC, there a party from the center may still appear, something between the Likud and the Alignment, which would take votes from the Likud but would not add power to the Alignment. There are still surprises ahead and there is no reason to behave as if the Alignment has won already. There is still a hard road ahead.

The road is long and difficult because the Likud will use every possible means in its election fight. Like a wounded animal which feels the end of the battle is near, the Likud has already started an election campaign (while the Alignment is still busy with its internal fights) and is getting ready to flood us with waves of extremist nationalist demagogery, to try to threaten and scare, as if the return of the Alignment to power means handing power in the West Bank and in Gaza straight into the hands of the PLO, thus endangering the existence of the state of Israel.

If the Alignment wants to shift the stress in its political campaign to social and economic problems, the Likud will not make it easy for it to do so. Begin and his partners will try to use the nationalist propaganda especially among those groups which gave him the most support in the previous elections. These groups, in their despair about the economic situation and the widening social gaps, are again liable to follow the deceiving patriotic slogans which will be used as a banner by the Likud and its partners. The Likud would try to erase all its failures in the social and economic areas, which include skyrocketing inflation, a widening social gap, the growing despair of the poor, the decline of creative work and the rise of the stock-market, in which money "works" for the person (the new year greeting of one of the managers of the stockmarket, broadcasted on the radio was "Let us hope for an optimistic stock year..."), instead the government will try to brainwash us with rosy descriptions of reality in the "Good Morning Israel" and "Good Evening Israel" programs with the help of an additional channel etc. etc.

We have already heard from the head of the prime minister's office Matityahu Shmuelevitz, the "achievement scroll" of the present government, a self-glorification song, that was immediately forgotten. We have heard our prime minister speak with great self-satisfaction about his tragi-comic appearance on television on new year's eve in the program "Moqed," in which he tried with words to rebuild 65 poverty-stricken areas (instead of 6!) and put himself in second place among those who did good jobs in 1979 (and not in seventh place as the poll showed!). If this campaign method continues, it will repeat itself in different forms, so as to brainwash the people with deceit and half-truths through the election year and try to move public support towards the Likud.

A Clear Election Platform

If the Alignment wants to gain an impressive majority in the Histadrut and intends to struggle in order to achieve a majority in the next Knesset, it has to hurry and prepare a clear election platform which will not chase after doubtful national consensus, but point out the longhand efforts to achieve a peace based on compromise, in order not to be the masters of another nation, in order to ensure Israel's security and in order to renew friendships with other nations and to break our present isolation. Then the Alignment will be able to achieve its goals and to free itself of the pressures and compromises which the coalition government imposes. With all due respect to modern advertising and to elaborate means of political propaganda, the Dahaf company is not the one that can do the work, it has to be an internal

"dahaf" (urge), based on ideas, shared by the many members of the Labor party, who will join together to save the country, so that it will be the creative beautiful country of the first settlers again, so that the social gap will narrow as much as possible, there will be less poverty, inflation and unemployment would slow down, and Jews here and abroad will want to live in this country and be proud of it.

The problem is that now "the big sister" in the Alignment, the Labor party, is torn by personal and tribal conflicts, by people who know nothing about ideology, a situation which is described by a member of the Labor party itself. David Blokh (DAVAR 9 Sep 80):

"Should the party go crazy for them? For these people are we going to endanger the chance of the Labor party to return to power with a majority which would make it possible for it to govern without compromising its principles to a large extent?"

We ask these questions repeatedly and warn against the dangers. It needs to be stressed again: Let's not follow the optimism of the polls. We in the Alignment face a long struggle for our future. It is time to do something about it!

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NON-PARTICIPATION OF NRP IN COALITION URGED

Tel Aviv HA'ARETZ in Hebrew 14 Sep 80 p 9

[Article: "The NRP Needs A Vacation"]

[Text] Only historians will be able to determine whether the leaders of the country, since the foundation of the State of Israel and even before that, have been right in giving so many concessions to the NRP, so that it would join the government. On the one hand, one can wonder how Israeli society would have looked, if for a generation or more, the National Religious Party had been outside the mainstream of society. Would there have been a battle of cultures? Or would National Religious Judaism perhaps have shut itself out as the extremist religious people in Mea Shearim do; but would the effect of this segregation have been more significant because of the size of the group and its quantitative importance? On the other hand, it is impossible to ignore the price which Israeli society paid for including National Religious Judaism, in terms of religious laws and other sacrifices on the part of the non-religious public. These are all issues for an historian; this article will only deal with the practical issue which will arise in the coming year, namely, the inclusion of the NRP in the government after the forthcoming elections.

Even those who in principle favor the inclusion of the NRP in the government and are willing to pay the price in the areas of relations between religion and state, and since the mid-seventies in other areas as well, will have to agree that there are practical reasons against the inclusion of the NRP in the next government which will probably be an Alignment government. The assumption is that the smart politicians of the Alignment and the NRP can reach some compromise on the main issue which divides them, the future of Judea and Samaria, which in itself cannot be an obstacle to the inclusion of the NRP in the next government.

The first reason why the NRP should not be included in the next government is the issue of correction of the distortions which were wrought during the term of the present government, the Likud-NRP-Ha'aguda government, in the area of relations between religion and state. Israeli society has had to accept since the foundation of the state, religious laws which the non-religious public often did not agree with. However, in the majority of cases up till 1977, the public accepted these laws because it was convinced that this was the price that had to be paid for the participation of the NRP in the government. The NRP itself, whose leaders were realistic people, knew how far it could go with its demands, and never went beyond the invisible line, which marked the limit to which the nonreligious public would go.

The coalition agreement which the Likud signed with the NRP and with Agudat Israel party in 1977 goes beyond this invisible line. Since the establishment of the coalition, other laws have been passed following that agreement, which have caused and still cause a lot of anger among the non-religious public. It suffices to mention the amendment to the Abortion Law, and the amendment to the Military Service Law which makes it possible for girls to avoid military service by declaring that they are religious. In addition, the agreement includes a lot of administrative arrangements which impose limitations on the non-religious sector, and give preferred status to the religious sector, thus moving the status-quo in a direction which most of the public opposes. In addition to the laws which have been passed by the Knesset, there is still a lot of religious legislation waiting to be passed, some of it very significant, and one cannot know whether or not this legislation will be passed before the end of the term of the present government.

A lot of these legislative and administrative arrangements will have to be cancelled when an Alignment government is established. Let us just mention the Abortion Law and the Military Service Law. It is difficult to believe that an Alignment government would accept the amendments in these laws, considering the position of the Alignment when these laws were discussed in the ninth Knesset and considering the aversion the majority of the non-religious public feels towards these laws. It also seems hard to believe that the NRP would agree, as a participant in the Alignment government, to revoke those laws. Its leaders would not be able to look their more orthodox friends from Agudat Israel party, who initiated most of the articles concerning religion in the coalition agreement, in the eye once all these wonderful achievements of the religious people, achieved during the Begin government, have been lost. The wheel can be turned back in these areas only when there is a government without the NRP. This is the first reason why the NRP should not be part of the next government: only thus could the status-quo in the relations between religion and state be returned to the point where it was when the Rabin government was dissolved. But this is not the only reason.

The other reason has to do with some things which are taking place these days. It has to be kept in mind that the NRP is the only party which has always been part of the government since the foundation of the state of Israel, not counting relatively short interim periods. In the many years in which the leaders of the NRP have participated in the power structure, a lot of patterns have been moulded, a lot of traditions and connections have been formed, many of which require a close examination, to put it mildly.

As an example, we can cite something from another field. In large economic organizations there is a rule, which is used for internal examination, that people in sensitive top positions, such as the treasurer and the chief accountant should go on vacation sometimes, not only in order to rest, but also so that the people who replace them can see that everything is done properly and there are no irregularities. If such irregularities are discovered, it is advisable to remove the person from his position, at least temporarily, through rotation.

The fact that the Alignment has been separated from power for more than four years is a blessing not only because it gives it time to rest and rejuvenate in the opposition, but also, in this way, undesirable connections and undesirable habits, which might have been established during the long period in which it was in power are broken. The same will apply to the Likud when it is out of the government

next year: if, to put it mildly, negative patterns of action have developed in those parts of the government for which the Likud people were directly responsible, there is a good chance that there will be an end to these negative patterns when the government is changed.

At the moment it is unknown what exactly happened in the Ministry of Religious Affairs, and how responsible the minister is for what has happened, but there is no doubt that serious irregularities have been discovered in this ministry. It is possible that most of the deficiencies will be corrected as a result of the investigation, but for the purpose of public hygiene, it is essential that the minister of religious affairs be a person not from the NRP, at least for a few years. After all, this ministry has been in the hands of the NRP since the foundation of the state.

The same applies to the Ministry of the Interior, which has been headed by two ministers from the NRP, with short breaks and some interim periods, since 1959. Who really knows what has taken place in this ministry, all the covert and overt acts? Only the NRP.

Usually, everybody agrees that every party that has been in power for a long time has to go on an "opposition vocation" since power corrupts, and since a long period in power is certainly very corrupting. When the Likud came to power in 1977 people said: Even in this there is something good; at least, the Alignment will have time to rest and rejuvenate, and also to get rid, for a while, of tiring and corrupting responsibility. The same applies to junior partners in the Coalition, especially such old ones as the NRP.

9433

CSO: 4805

ACTIVIST REALISTIC POLICY OF PEACE URGED

Tel Aviv DAVAR in Hebrew 14 Sep 80 p 5

[Article by Naftali Ben-Moshe: "An Activist Policy of Peace Is Needed"]

[Text] With all the concern regarding what might happen in the remaining period the Likud still has in power, the main concern, at least for me, centers on what will happen when the Alignment returns to power. My main concern is the peace issue, and that might surprise some of my readers, but in my opinion, the social and economic problems are, to a large extent, a result of the political situation. With no peace, there is always the danger of war, and with that danger, the chance of working for economic independence and for social reforms is almost zero.

The handling of the peace issue is at a crossroads now, and can go either towards progress or towards regression. If there is no progress towards comprehensive peace, especially in the eastern front (if we assume that the issue of the northern front can wait), then the peace agreement with Egypt will not hold. It will go from crisis to crisis and will fall apart under the heavy pressure of Arab hostility.

That will be the situation, or even worse than what has been described, when the Alignment comes to power, if it comes to power. The fate of the peace process in the eastern front, which will determine the eventual fate of the peace with Egypt, and the chances of reaching a peace agreement with Syria one day (You may be surprised, but Syria is still in the picture!), would be in the hands of the Alignment. Then the Alignment would not be in an easy position anymore, where its work is done by others, as happened in the peace agreement with Egypt. The Alignment would have to do the job and would bear the responsibility for better or for worse.

Peace Without Territories Or Territories Without Peace

In order to enhance the peace process, the Alignment would have to get rid of some of its old and obsolete ideas, and ask itself: which is preferable, peace or territories? or, which gives more security, peace without territories or territories without peace? or, which is preferable, peace with Jordan against the will of the Palestinians, or a peace agreement which would include negotiations and agreement with the Palestinians? Is it wise to put the Golan Heights under Israeli jurisdiction and thus kill the chance for a peace agreement with Syria without which there would never be stable peace in the Middle East, or should the principle of territorial compromise be used for the Golan Heights as an area which is, basically, a security problem and not a territorial problem, and thus a problem which can be solved

through demilitarization, joint security arrangements, international peace forces, guarantees, etc.

Should we stick to the taboo which forbids any negotiations with the PLO, or should we adopt the Shem-Tov--Yariv formula that even Dr. Burg used already, which is willing under certain conditions, to have negotiations with any Palestinian representative including the PLO, in order, at least, to put the PLO in a spot where it will have to make decisions, and thus cause disunity in its ranks, encourage its moderate elements, or at least relieve the pressure on us somewhat and give some encouragement to those who support us in the world.

In other words, isn't it time to stop all settlements in the occupied territories for the duration of the negotiations? Common sense says that peace negotiations and settlements do not go together, these are two opposite and contradictory acts. Israel, which wants a principle of no preconditions in the negotiations, cannot at the same time build settlements in the territories without bearing the responsibility for hampering the peace process. Those who dream of settlements, should not talk about peace. The time of the British Mandate is over, we are an independent state, or so we claim. It is time to decide what determines what: the settlements determine the borders or the borders determine the settlements?

After all that, there are still some "red lines" which are never supposed to be crossed: no return to the 1967 borders; no partition of Jerusalem; no withdrawal without a formal peace agreement. We should be like a car which stops at a red light but starts again at a green light, and the road has to be open to our initiatives and to their initiatives in accordance with the circumstances, the possibilities, and expected and unexpected developments.

A Realistic Plan Which Would Open the Door for Israel

Peace will not come by itself, it has to be fought for. An Alignment government which is weak and pressed, which lacks initiative and authority; a government which is torn by contradictory inclinations within itself, which is caught in the tongs of negative approaches, which has an army of bodyguards, would be lost as far as the peace issue is concerned. This would be a national tragedy and a tragedy for the socialist camp, that the Alignment, which could be a leading force for peace, will become a negative factor in the peace process with Egypt after the Likud achieves that peace. That failure would be even greater than the failure of the Yom Kippur war.

The peace agreement with Egypt shows that peace is possible. An Israeli peace plan based on essential border changes, security arrangements, gradual withdrawal, demilitarization of the occupied territories, on bilateral and international guarantees, on open borders and economic and cultural ties can be considered a realistic plan which would open the door for real peace, would gain the support of the U.S. and would regain the friendship and support of Israel's friends in the international community. Such a plan would stress the sane attitude of the Alignment compared with the intransigence of the Likud. Any additional demands have no chance of being accepted and Israeli stubbornness would only prevent achieving the essential conditions which it is still possible to achieve.

In any settlement there will be some dangerous elements, but it would be nothing like the present situation where Israel sits on top of an active volcano, where it is in a state of full confrontation with the Arabs and with the whole world. With such a settlement Israel would be able to defend itself, if needed, within the framework of permanent borders which have been recognized in formal peace agreements.

In order to make peace, an activist policy of peace is needed. A determined leadership with initiative, courage and responsibility is needed, which would be ready to initiate, decide and bear the responsibility. Will the Alignment pass the peace test which is waiting for it? It is better to ask the questions now, to present the doubts now, because there isn't very much time left for us to make up our minds.

9433

CSO: 4805

BRIEFS

POLL ON BEGIN STRENGTH--The Israeli public is divided in its opinion of Prime Minister Menachem Begin's personality. Approximately 40 percent believe that Mr Begin is a strong man who can stick to his opinion, and about 40 percent hold the opposite view that he is weak and gives in easily to pressures. This was established in a national public opinion poll conducted by the Pori Institute and organized at the request of HA'ARETZ. The question was: "How does the prime minister, Menahem Begin, appear to you? Is he a man who is able to stick to his views when necessary or does he easily succumb to pressure?" A total of 41.8 percent answered that he is a man who knows how to stick to his position when necessary and 40.7 percent answered that he is a man who succumbs easily to pressure. An additional 6 percent said that it depends on the "situation," on the "circumstances," and on the "extent of the pressure." Another 11.5 percent said that they did not know what kind of person the prime minister is. An analysis of the findings, according to social variables, demonstrates that among those who see Mr Begin as a strong man who can stick to his guns, there are more young people, Israeli-born, and immigrants from Asia and Africa. In the group which sees Begin as a weak man who yields easily to pressure, there are more older people, people who were in Israel before the establishment of the state and immigrants from Europe and America. The poll included a representative sample of 1200 men and women who were interviewed personally throughout Israel. [Text] [Tel Aviv HA'ARETZ in Hebrew 6 Oct 80 p 3] 9348

CSO: 4805

FREE ZONES AGENCY REPORT REVIEWS PAST ACCOMPLISHMENTS, FUTURE PROJECTS

Amman AL-DUSTUR in Arabic 9 Nov 80 p 4

[Article by Ahmad Shakir: "Among the Projects Of the Free Zones Agency Within the 5-Year Plan: Establishment Of Free Zones In 'Aqabah, al-Zarqa' and the Syrian Border Area; the Free Zones Will Need 11,000 Workers"]

[Text] The Free Zones Agency released a report on its accomplishments during the period of the 5-year plan, and its projects for the next plan from 1981 to 1986.

Mr Muhammah al-'Abd al-Lat, deputy director general of the Free Zones Agency, said that the volume of goods stored in the free zone had risen from about 24,000 tons in 1974 to 210,000 tons in 1979, while in certain years the proportion of goods reexported or shipped from the zone, where they had been in transit, amounted to 65 percent of all the goods that had left the zone.

He said that the agency had received 98 applications to rent space for commercial and industrial investment projects, and service projects. The total rental space requested amounted to 267 dunams. Among these business projects are the following:

- A plant for recycling used mineral oils;
- a fodder mill;
- a factory for manufacturing soda bottles;
- a food cannery;
- a factory for manufacturing plastic agricultural irrigation equipment;
- a factory for manufacturing high-quality prefabricated houses for export;
- a plant for processing vegetable oils from raw materials imported from East Africa;
- a factory for manufacturing glass containers;
- a drug manufacturing plant, proposed by a Japanese businessman.

With regard to the agency's activities during the years 1976 to 1980 Mr al-'Abd al-Lat said that an engineering and economic study on developing the free zone in 'Aqabah had been carried out in 1976 by an engineering company. The study determined that the area of land situated directly behind the port's fence, and extending to the road

to Saudi Arabia and the oil refinery tanks, should be set aside for the free zone. This site was leveled for the free zone, at a cost of about 125,000 dinars. It later became necessary to abandon that site (as well as the zone's original location in the central port), and move it to a new site 6 km north of the coast on the Amman road near the (al-Mqs) police station, in order to implement the government's policy for expanding the port's floor space and piers to overcome the crowded conditions that had been prevalent.

A consulting company thereupon carried out a hasty study on developing the new site, which was no larger than 250 dunams, so that the move could be accomplished without delay. The cost of leveling that hilly site, paving it, and building warehouses, garages and offices, as well as installing fire-prevention systems, water and electricity, amounted to about 2 million dinars.

The deputy director general said that the new site was large enough to meet the need for rental space for commercial and industrial investment projects. The agency had requested that the government allocate a site for the zone on the coast so that it could provide at least the minimum basic services necessary for encouraging investment, namely: facilities for receiving ships; facilities for storing goods on the piers and in warehouses near the sea; facilities for transporting grains and similar goods on conveyor belts or pneumatic tubes from and to the ships. The aim is to reduce handling costs, ensure speedy service, and prevent mixing up goods in transit with goods destined for the port. However, the government allocated a site of approximately 2,000 dunams for the zone on the airport road.

The deputy director general said, "A study on the estimated size of the labor force which will be employed in the free zones in Jordan, as published in the report by the consultants, indicates that 4,400 persons could be employed in 'Aqabah, and 6,615 in the free zone in al-Zarqa', in addition to the workforce in the refrigerated warehouses, the Queen 'Aliya' Airport and the joint Jordanian-Syrian free zone."

After studying the proposed site for the free zone on the airport road the engineering company decided that it was not suitable for the following reasons:

It would cause environmental pollution from factory smoke and solid and liquid wastes.

It would impede the flow of tourist traffic on the airport road.

It would increase handling costs and would subject a portion of the goods to damage through excessive handling.

It would subject the goods to unreasonably high transportation costs to take them from the port to the zone and back again.

It would increase the costs of administration, customs and security as a result of having the free zone at more than one site.

It would obstruct the northward expansion of the city.

He said that the agency had presented a summary of the engineering company's report to the government and had requested a reconsideration, and allocation of a suitable location for the free zone on the coast. Finally the board of directors was compelled to pursue a policy of partial development of the airport site, restricting itself to developing an area of 500 dunams (in the first phase), and providing the basic services--water, electricity, telephones, sewers, roads and offices--and allocating this small area for rental to investment applicants.

He said that on the basis of repeated requests from the Amman Chamber of Commerce and the fact that the government of Morocco has been eager to rent refrigerated warehouses in 'Aqabah for Moroccan exports; on the basis of requests from a number of important Jordanian businessmen and several foreign companies expressing their desire to rent full rooms in the refrigerated warehouses in the 'Aqabah free zone; and on the basis of the study carried out by the consulting company these requests were studied by the government committee which studied the kingdom's requirements for refrigerated storage. As a result of the recommendations of this committee--which included representatives from the Ministry of Supply, the agricultural marketing offices and other government agencies--the [Free Zones] Agency decided to build refrigerated warehouses in 'Aqabah with a 6,000 ton capacity. The contract was awarded to (Sumitomo), a Japanese company, and the project was fully implemented. But during the course of the construction the government decided to restrict the importation of refrigerated and frozen meats and other foods to the Ministry of Supply. As a result, many businesses have lost interest in operating in the free zone.

Mr al-'Abd al-Lat added that on the basis of the request from the chamber of commerce to establish a free zone in a central location within the kingdom to facilitate the storage of transit goods and have them available at a location near the commercial center, Amman (which is the main reason for establishing domestic free zones), a location 10 km north of al-Zarqa', at the junction of the international road which links Jordan with the Gulf States, Iraq and Syria was selected, and the government allocated this 5,200 dunam site for the free zone. Engineering studies have been completed, detailed plans have been made, and the bidding rules and applications have been prepared. The first construction requirement was to provide an adequate source of water. A successful well, which will meet the zone's needs until 1983, was dug by the Natural Resources Authority.

In order to provide a storage area for transit goods transported by air the agency got in touch with the Ministry of Transport and reached an agreement in principle to allocate a site for establishing a free zone at the Queen 'Aliya' Airport. A consulting company will be asked to perform the necessary studies for this plan.

On the subject of the joint Jordanian-Syrian free zone Mr al-'Abd al-Lat said that the Free Zones Agency would participate in the administration of that zone through the membership of its director general on the zone's board of directors. Jordan's share of the company's capital and the development costs in the first phase are estimated at 4 million dinars. This will be paid directly to Syria through the Ministry of Finance as recommended by the minister of industry and commerce. The funds spent on this zone are not included in the revenues or expenditures of the Jordanian Free Zones Agency.

Development in the first phase of this project has been carried out. The contract was awarded to a Jordanian-Syrian company for approximately 38 million Syrian pounds. This phase's installations are expected to be completed by 1982.

New regulations have been prepared to ensure that the free zone administration will develop along with the new developments in the zone. Recommendations have been presented to the board of directors for their consideration so that it may take the necessary legal steps.

Mr al-'Abd al-Lat said that the secondary goals proposed in the next 5-year plan can be summarized in the following points:

Construction:

Development of a portion of the area allocated for the free zone in 'Aqabah on the airport road.

Completion of the studies, planning and organization of the free zone project at the Queen 'Aliya' Airport.

Completion of the installations of the first phase in the al-Zarqa' free zone.

Completion of the installations at the joint Jordanian-Syrian free zone.

Organization:

Determination of rules and objective current rates to help achieve the basic goals of the free zones by introducing terms as flexible as necessary to encourage investment.

Providing the essential technical cadres for the administration of the free zone projects.

Taking the final steps toward enactment of the necessary regulations so that the board of directors can assume its necessary powers.

Gradual training of the administrative staff to give it the necessary competence.

Mr al-'Abd al-Lat summarized the obstacles and problems facing the project in the following points:

The success of the free zone in 'Aqabah depends on the allocation of a large enough area at an appropriate site on the coast for the reasons clearly stated in this report.

Goods imported through the free zone will incur much higher costs than those unloaded at the port. It is hoped that a committee, representing all the concerned parties, will be formed to coordinate the activities of the concerned bureaus to prevent competition which would paralyze the activities of the free zone.

9123

CSO: 4802

LAND RECLAMATION BILL SUBMITTED TO PARLIAMENT

Beirut AL-SAFIR in Arabic 25 Sep 80 p 6

[Article: "80 Million Pounds For the 'Green Project' For Land Reclamation Over a 5 Year Period"]

[Text] The government has agreed to allocate 80 million pounds for the administration of the "Green Project" to carry out its assigned task of reclaiming agricultural land in the villages over the next 5 years.

The government has submitted a bill on this matter to the parliament requesting parliament to approve allocation of the above-mentioned sum in the 1981 budget so that the project can carry out its tasks after the ministries of agriculture and finance have approved the opening of credit for this purpose.

Among the urgent reasons cited for the bill are the following:

Economic statistics and studies carried out in Lebanon after the World War II show that there has been a migration from the villages to the cities, as well as an exodus to foreign countries in search of better employment. The majority of these people, who form the agricultural labor force, found that opportunities for employment that would provide a decent standard of living were not to be found in the villages, either in agriculture or in other sectors. This has caused a severe decline in the nation's economy and food security.

It is clear that the "Green Plan" established by the government in the 1960's helped a great deal to reclaim land in the villages and increase the area under cultivation, which led to increased agricultural production. About 171,000 dunams were reclaimed, 910 km of farm roads were built, and 2.5 million cubic meters of underground irrigation water storage containers were built.

It is a fact that 1,139 villages have benefited from the reclamation work, and that 23,500 farmers have reclaimed their land.

The funds allocated in accordance with law 74/16 for 80 million Lebanese pounds over a 5 year period expired at the end of 1978.

There are still about 200,000 hectates in Lebanon suitable for agriculture which first must be reclaimed.

The world food situation poses a serious threat to the international surplus which has been filling Lebanon's food deficits. As large an area as possible in Lebanon must be reclaimed, and agricultural production must be intensified.

Many requests for land reclamation have been submitted by farmers.

For all of the above reasons we submit the accompanying bill to the parliament for their discussion and approval so that the "Green Project" can be implemented to guarantee the citizens of Lebanon an adequate standard of living in the future.

The text of the bill follows:

Article 1. The sum of 80 million Lebanese pounds shall be allocated for funding the Green Project--which provides for land reclamation, farm road construction and water storage--over a 5 year period beginning in 1980.

Article 2. The funds to be paid shall be allocated annually in part three of the general budget within the following guidelines:

Proportions:

[Figures in millions of pounds]

| <u>Paragraph</u> | <u>Section</u> | | <u>1984</u> | <u>1983</u> | <u>1982</u> | <u>1981</u> | <u>1980</u> | |
|------------------|----------------|----|-------------|-------------|-------------|-------------|-------------|--|
| 2 | 101 | 14 | 15 | 13 | 11 | 9 | 5 | For land reclamation and water storage (distributed equally among the 4 provinces) |
| 3 | 101 | 4 | 6 | 6 | 6 | 6 | 3 | For farm road construction and generally useful projects |
| | | | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | |
| | | | 21 | 19 | 17 | 15 | 8 | [Total] |

Article 3. The administrative costs incurred by the Green Project's executive office, and the compensation granted by the appropriation committees shall be covered by skimming off a percentage of the funds which have been allocated for the project's activities. This amount shall not exceed 7.5 percent.

Article 4. These funds shall be covered by emergency revenues. The government shall be authorized to take out a loan for this purpose, within the limits of the funds explicitly stated in Article 1 of this law.

Article 5. This law shall take effect as soon as it has been officially published.

9123

CSO: 4802

SUBSIDIZED HOUSING PLAN IMPLEMENTED

Beirut AL-NAHAR in Arabic 22 Sep 80 p 5

[Article: "On 23 September Work On 20,000 Housing Units Gets Underway: Priority Will Be Given To Companies, Cooperatives, and Families; the Three Year Period Will Pave the Way for Another Project"]

[Text] Lebanon is in need of 50,000 housing units to overcome the housing shortage. The cost of these units at today's prices will be 5 billion Lebanese pounds. On 23 September 1980 work begins on a project to provide 20,000 housing units in accordance with law number 80/6 introduced by the minister of housing and cooperatives, Engineer Michel al-Murr.

This project is being carried out by the Independent Housing Fund which has printed application forms which are ready today along with two explanatory resolutions. The fund's task is to implement the project over the next 3 years. Continued construction of new housing units beyond the third year will be assured by means of revenues the fund receives in the form of the monthly payments the borrowers will continue to make.

Conditions

Lebanese who satisfy the conditions and priorities as set forth in applicative law number 3268 of 22 July 1980 are eligible to benefit from the project.

An applicant for a loan must have been a Lebanese [citizen] for at least 10 years. He must be at least 21 years old, and must never have been convicted of a felony. His annual family income may not exceed 40,000 Lebanese pounds. He must be able to pay off 75 percent of the loan before reaching age 64. He must not already own a home, or have taken out any other housing loan. This is to allow others to have the opportunity to benefit from a loan, so that we may achieve social justice. However, this applies only if the house is located within 20 km of the borrower's place of employment or that of his spouse or children living with him. If his place of residence is more than 20 km from his place of employment or that of his spouse or one of his children living with him he is eligible for a loan.

The applicant for a loan must commit himself to occupying the house for at least 10 years--that is, half of the term of the loan. This provision will serve the dual purpose of preventing real estate speculation and promoting social stability.

Self-employed participants must mortgage the company they own if it can be mortgaged, or they must provide an additional surety. Salaried participants must arrange to transfer a portion of their monthly salary, at least for the first 5 years. This portion must be equivalent to the amount due for the monthly payment on the principle and interest. Alternatively, salaried participants may arrange to have the company they work for transfer the monthly payments for the first 5 years.

The amount of the monthly installment may not exceed one-third of the annual family income [sic].

Priority

Priority will be given as follows:

First priority will be given to companies and organizations which contribute at least 30 or 40 percent above the required share of the cost of the housing for their members, participants or employees.

If a company should apply for a loan to build ten houses for its employees whose annual family income is between 30,000 and 40,000 pounds, the basic contribution to the cost of the housing is 20 percent, so that the ultimate amount of the loan in this case would be 80 percent of the cost of the housing. Thus, the company would be given top ranking in the scale of priority if it were to contribute 30 or 40 percent above the 20 percent contribution required for obtaining the loan.

Second priority will be given to companies, organizations and individuals who contribute 20 percent above the required contribution toward the cost of the housing according to the maximum amount of the loan.

Third priority will be given to companies and organizations which do not provide any additional contribution.

Fourth priority will be given to individuals who do not provide any additional contribution.

If individuals or companies have equal priority and it becomes necessary to choose among them so that the maximum number of authorized loans is not exceeded, other priorities, which take into consideration the following, will be used:

1. Precedence of application.
2. The family situation. Couples with a larger number of children will be given priority over those with fewer children.
3. The site where the house is to be built. Those who wish to build their house in their own village will be given preference.
4. The borrower's housing situation. Tenants who have been renting for a short period of time will be given preference over those who have been paying rent for a long time.

5. Borrowers who provide a guarantee on the installment payments beyond 5 years will be given preference over those who provide a guarantee on their payments for only 5 years.

The loan amount shall be paid to the borrower according to the following schedule:

30 percent upon submission of adequate proof of title to the land on which the borrower intends to build; 20 percent after completion of the work that was financed by the first segment of the loan; 25 percent for the work financed by the preceding segments of the loan; and finally the 25 percent remaining.

Those who intend to buy a house will be paid the full amount by the fund after the deal has been concluded, the new owner has been entered in the land registry, and the mortgage has been obtained.

Floor Space and Amounts Offered

The fund has estimated construction costs at 1,200 Lebanese pounds per square meter, including the price of the land, which must not exceed 20 percent of the construction cost of the house. The loan applicant must contribute 20 percent, 15 percent or 10 percent, according to group based on annual family income. Therefore, the amount of the loan will be reduced by these amounts.

This can be summarized in the following table:

| Total Amount of Loan (Lebanese Pounds) | Percent of Contribution By the Borrower | Rate of Interest (Percent) | Cost of the House (Lebanese Pounds) | Floor Space or the House (In Square Meters) | Annual Family Income (Leban- ese Pounds) |
|--|--|----------------------------------|--|---|--|
| 54,000 | 10 | 3 | 60,000 | 50 | Below 14,000 |
| 66,300 | 15 | 3 | 78,000 | 65 | 14,000-17,000 |
| 79,680 | 20 | 3 | 99,600 | 83 | 17,000-20,000 |
| 91,200 | 20 | 4 | 114,000 | 95 | 20,000-30,000 |
| 103,680 | 20 | 4 | 129,600 | 108 | 30,000-40,000 |

However, the borrower is not restricted to the specified floor space. He can build or buy a house with greater floor space than he is entitled to under the terms of the loan, but the cost of the additional space shall be borne by the borrower, not by the housing fund whose contribution shall be within the limits set forth above.

Every borrower who contributes a specific percentage of the cost of the house is entitled to a financial or material grant of 50 percent of the amount contributed, up to 15 percent of the cost of the house.

In conclusion, the goal of the project is to strengthen and expand the housing co-operatives by providing them with greater assistance than can be offered by individuals.

WAR BETWEEN IRAQ, IRAN STRENGTHENS DOMESTIC ECONOMY

London AL-HAWADITH in Arabic 21 Nov 80 p 54

[Article by 'Adnan Karimah: "'Lebanese Paper' Is Still Strong: Bank Benefits from Gulf War and Iraq Becomes Top Lebanese Products Market"7]

[Text] When you ask any Lebanese citizen about the reasons for the rise in the price of a box of 30 eggs from 9 to 14 pounds, he will hasten to answer "The Iraqi-Iranian war!"

The rise in prices has not been restricted to eggs. It involves many foodstuffs and consumer goods and has become the talk of consumers in Lebanon, now that, since the outbreak of the Iraqi-Iranian war, merchants have started exporting large amounts of these goods to Iraq at attractive prices encouraging them to seek to increase exports to reap big profits.

Exports from Lebanon to Iraq have been stimulated in two categories:

First, exports of Lebanese industrial and agricultural products have registered a big increase, particularly in foodstuffs; although statistics are not available, Lebanese exports to Iraq, according to information of merchants and industrialists, reached record figures last October, and the Iraqi market has moved into first place, outstripping the Kingdom of Saudi Arabia, which is considered the biggest market for Lebanese products.

Up to last September, Saudi Arabia occupied first place; the value of industrial exports to that country came to more than 50 million pounds that month, or 36 percent of total exports, which total 140 million pounds, followed by Iraq, with 33 million pounds or 23.5 percent, Syria, 28 million pounds or 20 percent, and Jordan, 10.6 million pounds or 7.5 percent.

The second category is re-exports, as Iraq is considered the country most dependent on the port of Beirut in the area, providing the biggest share of trilateral commerce which has made Lebanon a regional commercial center providing commercial services of various types to Arab countries and Iran as well.

Even during the Lebanese war which has gone on for more than 5 years, Iraq used the port of Beirut, and Lebanese merchants, with banks operating in Beirut, would arrange commercial activities to respond to its needs for foodstuffs, consumer goods and industrial and non-industrial equipment. Iraq's trilateral trade via Lebanon was stimulated last October because of Iraq's increasing need for goods imported from abroad to meet its consumption.

There is no doubt that this commercial activity has increased the transportation activity from Beirut to Iraq. In order to respond to Iraqi demand, and in the face of its enticements in the form of high prices, transportation companies and truck owners have determined to work their way around some "transit" restrictions in order to avoid being restricted by them, especially since Iraq needs speed in transport activity. Some truck owners carried freight from Beirut that was supposedly being trucked to Saudi Arabia or the Gulf, then exchanged that in Jordan for other cargoes for Iraq.

Banks operating in Lebanon have in turn benefited from the "transit" commercial activity which arose as a result of the Iraqi-Iranian war by increasing banking activities to finance export transactions from Lebanon to Iraq and import transactions from abroad for re-export.

Thus the Iraqi-Iranian war has forcefully restored to Beirut its commercial position in serving the countries of the region through trilateral trade; that is a positive repercussion, but what are its repercussions on the financial level?

Dr George 'Ashi, the secretary of the board of directors of the Society of Banks, replies, "Beirut is no longer a financial or banking center through which Gulf funds pass on their way to foreign markets. If a flight of money has occurred from the two belligerent countries or from the Gulf countries, these funds have not come to Lebanon but have gone directly to the European markets, now that the Gulf banks have direct connections with banks operating in Europe and also on the personal level. The source of the flow of money which has been observed lately in banks operating in Lebanon was Lebanese working in the Gulf area who have taken the steps of transferring their savings, which had been in Gulf banks, to Lebanese banks. The process of conversion to foreign currency, especially to the American dollar, has been completed; if they had wanted to deposit their money in Lebanese pounds, the price of the dollar on the Beirut market would not have risen to record levels which reached more than 3.52 pounds."

Thus the flight of money is conspicuous in two respects:

First, the flight of money from the Gulf out of fear for developments in the Iraqi-Iranian war. A large portion of this is destined for Europe, and another portion, which belongs to Lebanese people, is destined for banks operating in Lebanon.

The second category of flight has no connection to the first type. That lies in the flight from the Lebanese pound to foreign currencies, especially the dollar; this is not new and the reason for it may be ascribed to a number of factors, most importantly the lack of security and political stability in Lebanon, which is a major reason, followed by other reasons bearing on the narrow scope for investment resulting from the paralysis of activity in most sectors of the Lebanese economy, especially industry, tourism and agriculture, above and beyond the drop in interest on the pound in Lebanese banks, the rise in interest in foreign currencies, and the restrictions on borrowing which the Central Bank has imposed.

In order to ascertain the volume of the flight from the pound, we can refer to official statistics issued by the Bank of Lebanon, from which it is clear that total deposits in the banking system have risen from 17,386,000,000 pounds in mid-1979 to 23,073,000,000 pounds in mid-1980, or by 5,687,000,000 pounds, a large amount, totalling an increase of 23.7 percent, which has attracted the attention of observers.

Most of this increase occurred through remittances of Lebanese working abroad. However, the share of these people's foreign deposits in banks operating in Lebanon increased, totalling 3,816,000,000 pounds, or 67 percent, as a result of their increase from 4,684,000,000 to 8.5 million pounds, as compared with 33 percent of 1,871,000,000 pounds which was the Lebanese pound deposits' share of the increase. The latter rose from 12,702,000,000 to 14,573,000,000 pounds.

From these figures one may conclude that the ratio of deposits in foreign currency has risen, reaching 36.8 percent of total deposits in the banking system; are there risks in this, and what are they?

One returns to Dr George 'Ashi, who replies, "When citizens change their domestic currency to foreign currency, that poses a danger to the domestic currency, but the situation we have observed the past 2 years is that deposits have increased in their totality in the Lebanese market. The acceleration in the increase in foreign deposits was greater than the increase in Lebanese currency, for two reasons:

"First, the flow of foreign currency deposits into Lebanon which were not transferred into Lebanese currency, because that was commercially more advantageous for the holders of these deposits.

"Second, transfers from Lebanese pounds to foreign currency to benefit from differences in the interest rate."

Dr 'Ashi stresses that in spite of all this the conviction among people holding "Lebanese paper" that they are holding a strong currency is still strong.

Perhaps the important factor in indicating the strength of the pound is the balance of payments in which Lebanese citizens working abroad have contributed to forming a large surplus through their financial remittances to Lebanon. In the first half of this year that was estimated at \$565 million, as compared with \$323 million last year. The surplus last July alone was estimated at not less than \$100 million.

Finally, one should point out that the Central Bank, which considers that its main task according to the Money and Lending Law is to provide stability for the pound, is now aiming at new measures which it is setting forth, as has been said, in coordination with the monetary policy the governor of the Central Bank, Shaykh Michel al-Khuri, is assuming, the financial policy assumed by the minister of finance, Dr 'Ali al-Khalil, and the development policy assumed by Dr Muhammad 'Atallah, chairman of the Development and Construction Board. Bankers hope that these measures will be more flexible than the measures now being applied, which they describe as failing to achieve the desired goal, especially as far as the domestic currency goes!

AGRICULTURAL PRICING, MARKETING POLICIES CRITICIZED

Beirut AL-SAFIR in Arabic 30 Sep 80 p 6

[Article by 'Isam al-Jardi: "Produce Prices Have Skyrocketed; the Policy of 'Protecting the Farmer' Is Always at the Expense of the Consumer"]

[Text] This is not the first time that the prices of fruit, vegetables, meat and dairy products--things like potatoes, onions, citrus fruit, eggs and so forth--have risen to an unreasonable level while the "Economic Study Committee," whether intentionally or inadvertently, does nothing to intervene other than to support the monopolies which control these essential food products, although that is not at all its primary function.

Over a period of less than 15 days the price of potatoes in al-Mafraq rose from 150 to 225 piasters a kilo; onions went from 60 to 125 piasters; citrus fruit went from 275 [piasters] to 4 pounds, or to 440 piasters for especially good ones; eggs went from 83 pounds to 110 pounds for a box.

In spite of this the Economic Study Committee, which has met on more than one occasion under the chairmanship of the minister of agriculture, has consistently taken a position permitting the export of these products, and prohibiting their importation. It is as if it is telling the public that by its decree it is compelling the citizens--all of the citizens--to buy these products, which are indispensable to every household, particularly among the masses and the low- and middle-income groups, at prices dictated by the wishes of four influential big farmers in the Biqa' district, who determine the official agricultural policy. Furthermore, to protect the four farmers, all merchants and even citizens are forbidden to import these products.

It is the opinion of those concerned with agricultural production and marketing, including even certain officials, that the time has come for a radical reexamination of the policies of the Economic Study Committee since they have become incompatible with the goals for which the committee was formed.

The function of the Economic Study Committee is primarily to maintain a balance between the supply of local produce and the demand for its imported equivalents in order to protect the "Lebanese farmers" during the production season so that they do not have to compete with imported items of the same type. So that this protection does not lead to higher produce prices locally, or to a shortage of these goods on the local market, an agricultural almanac arranged according to the growing harvesting and marketing seasons over the course of the year is to be used.

According to informed sources, the Economic Study Committee's job has become seasonal; it is operative only during harvest times. Its ostensible purpose is to "protect the farmers of Lebanon" by allowing produce to be exported while prohibiting its importation, which every year leads to increased demand while the supply is controlled by the "Big Four" farmers, who dictate prices, with no one to protect the citizens of Lebanon.

These sources add that "protecting the farmers of Lebanon" could be used to justify the policies of the Economic Study Committee if this protection were actually for the farmers of Lebanon, regardless of their size or production capacity. If this were the case, there would be no justification for the continual price rises for produce every year, regardless of circumstances.

However, the fact is that a small number of influential big farmers have taken control of production and pricing away from the small farmers, and they blindly force the consumer to pay the prices.

These same sources believe that if the Economic Study Committee should cling to its current policies it will have far-reaching effects on the prices of all produce, without exception, including the prices charged by the consumer cooperatives, some of which have begun to sell fruit and vegetables successfully.

What is needed at this point, in the opinion of these sources, is a decision to reorganize the composition of the committee to insure consumer representation on it, by admitting representatives of the General Labor Federation as members on an equal footing with the representatives of the big farmers. That way the committee's decisions will also be in the interest of the Lebanese consumer, or will at least take into account the interests of the consumer along with interests of the large and small farmers.

Clearly, any suggestions offered by the Office of Consumer Protection, which has been admitted to membership on the committee in this way, have fallen on deaf ears within the committee. Consider the letters submitted by the representative of the office, and those sent by the minister of economy and trade himself, to deal with the increased produce prices: all that has been done with them is to file them away in the committee's drawers.

9123

CSO: 4802

BRITISH HAGGLE WITH GOVERNMENT OVER RECIPROCAL AIR FLIGHT TERMS

London AL-HAWADITH in Arabic 5 Dec 80 p 59

[Article by Ibrahim al-Burjawi: "Air Negotiations between Britain and Lebanon move toward Arbitration: The Lebanese Refuse to Lower the Number of Flights and the English Accuse Them of Trickery"]

[Text] Britain has accused Lebanon of violating the spirit of the air agreement between the two countries and of failing to implement it, a matter which calls for the conclusion of a new agreement regulating passenger and cargo flights between London and Beirut. In addition, the agreement now in existence entails obvious damages to the rights of Britain and makes Lebanon the greater beneficiary. As a member of the British delegation to the air talks which took place recently in London between the two countries states, the agreement in effect is letting one of the two parties (Lebanon) eat more than the other.

The negotiations, which lasted 3 days, ended inconclusively and each of the two parties adhered to its position. The negotiations began in the British capital last week; representing Lebanon were Zuhayr Baydun, director general of civil aviation, Edmond Ghush, manager of the airport, Sam'an Sasin of the Transportation Department, Gilbert 'Awn of the Ministry of Foreign Affairs, Marwan Tarsisi, secretary of the Lebanese Embassy in London, and a representative of each of the two Lebanese airline companies, MEA and TMA. Representing Britain were the director general of the Air Transport Department, some officials of the Foreign Office and delegates of British airways.

At these negotiations the Lebanese delegation was surprised to see that the British party was contesting Lebanon's commitment to implementing the air agreement in effect between the two countries for the first time since the British-Lebanese air crisis arose a few months ago as a result of Lebanon's decree preventing Concorde aircraft belonging to British airways (Ba) from flying over the territory of 'Akkar in the north of the country on its flight from London to Bahrain, after a number of deputies, none of whom were from 'Akkar itself, had launched a campaign, against the roar of these airplanes, which irritated shepherds and livestock in 'Akkar. This led the British company to change the flight path of its airplanes and substitute the airspace of the territory and farms of northern Syria, which are known for their abundance of shepherds and livestock, for the airspace of 'Akkar!

Here the British do not conceal their suspicion that American airlines are behind the decree preventing their common miracle with France in civil aviation, the Concorde, from flying in Lebanese airspace!

The Lebanese delegation knows for certain that Britain's newly resurrected air problems with Lebanon are motivated only by revenge, for Lebanon's abovementioned decree and its knee-jerk response to Lebanon's position on the Concorde.

Although the suspension of the Concorde air route to and from Bahrain is the real issue of the dispute, the British have totally ignored this issue and have claimed that their demand for a modification of the air agreement between the two countries may be attributed to two things, and just two things, namely:

1. The fact that Trans Mediterranean Airlines Company (TMA) is violating the terms of the agreement regulating air passenger and freight operations between Beirut and London by carrying transit cargoes from Britain to the Gulf via Beirut. That is not Lebanon's right; the right to do that is restricted to British and Gulf airlines alone.

This violation is causing Britain great damages and realizing tremendous profits for Lebanon at the expense of British interests. As a consequence, the English claim that Lebanon has not been a fair partner and that what the Lebanese consider shrewdness is in their view trickery!

2. The aircraft of the Middle East Airlines Company, the Lebanese airline which makes daily flights from Beirut to London and vice versa, travel that route at less than half capacity; this calls for a reduction in the number of their flights and emphasizes that it is unnecessary that they continue as they are, especially now that Lebanon, as a consequence of the bloody events which have occurred there, has among other things lost its role as an international travel station between the various countries of the Middle East and Europe.

The Lebanese negotiating party answered its British counterpart by denying that it had violated the agreement and asking for evidence and proof of the contrary. As regards Britain's demands for a reduction in the number of flights by the two Lebanese airlines on grounds that airplanes generally arrive in Beirut and London almost empty, the Lebanese delegation answered by saying that the two companies are commercial, do not receive subsidies from the government, and insist on their current number of flights because they are certain of material gain, and that therefore the excuse that there is no gain and the route is not properly filled is basically null and void.

The British were adamant on their position. They admitted that they could not offer palpable evidence and proof that Lebanon, and in particular TMA, had violated the air agreement between the two countries and that that company had shipped British cargoes from London to Beirut and then reshipped them to the Gulf countries, and said that if they could do so they would not be able to

prevent a repetition of this in the present or in the future. In order to reduce the bother inflicted upon them, they recommended that the number of TMA flights be reduced from nine to five per week and the number of MEA flights from nine to four per week as well.

Here Lebanon reiterated its rejection of this proposal and hinted at its readiness to increase the number of British airways company flights from three to four or five a week and reduce the TMA flights by one to satisfy Britain. The Lebanese delegation promised that it was possible to study reducing MEA flights by one also and repeated Lebanon's unreadiness to accept a reduction greater than that, considering that the two Lebanese airline companies were not big enough to permit them to reduce their activities by such a large percentage, as it would have a direct effect on them, especially since, unlike British airways, they did not receive financial aid from the government.

Faced with the insistence by each delegation on its position, especially that of the British delegation — which one member of the Lebanese delegation compared to a billy goat which will not give milk in spite of all the efforts the Lebanese ambassador, Dr Khalil Makkawi, has exerted with senior British officials, seeking the aid of political pressure from Lebanon's friends in the British government and the House of Commons and Lords — the negotiations have been suspended, but are to resume soon in Lebanon at a higher negotiating level where the representatives of both delegations will be headed by the competent minister. In the event agreement is not reached in the second round which will take place in Lebanon, arbitration will be the only recourse. One member of the Lebanese delegation declared this to AL-HAWADITH in anticipation of the selection of an International Civil Aviation Organization of the United Nations arbitration committee to rule on the dispute between the two countries. This member hopes that Lebanon will win the case before the arbitration committee, because the methods Britain is following to abrogate the air agreement concluded by Beirut and London does not stand on firm legal foundations and because the Lebanese government is giving great interest to this issue, which it considers a national issue concerning a massive economic resource.

11887

CSO: 4802

BRIEFS

SOUTH INDUSTRIAL DEVELOPMENT--Sidon--AL-SAFIR--Hilal Zantut, the director of the Bureau of Industry and Oil in the south, held a news conference yesterday at the bureau's headquarters. He announced that several new industrial companies in the south had registered with the bureau. The most prominent is the metal scaffold factory which was established in the Safarah-Qada' Jizin district, with capital of 5 million pounds. He added: "There is another plant which manufacture liquids, the most important of which are oxygen and acetylene, located in the al-Dkrman [sic] district on the Sidon-Tyre road. It produces sufficient quantities to meet the needs of the entire south, including its factories and hospitals. It has \$10 million in capital. Three experts have arrived from the United States to study its requirements." He continued, "A textile mill has been established in Kafr Jarrah on the Jizin Road, with capital of more than 1 million pounds. It manufactures and exports knitted and woven goods, and makes ready-made clothes for domestic consumption." Zantut said that money owned by citizens of the south is being invested in the south, and is being used to import materials, process them, and re-export them. Such materials include liquid sugar, which is imported, then processed and exported as confectionary items and chocolate. Furthermore the Sidon industrial park has expanded greatly in recent years. There are plants manufacturing iron goods, mechanical products, ceramics, tiles, cut rocks, marble, furniture, and wooden crates for shipping apples. Zantut concluded, "Thanks to the cooperation between national capital and industry the industrial situation in the south has improved and is flourishing, despite the unstable situation with regard to security. This is the best sign of the southerners' steadfastness and attachment to their land. [T t] Beirut AL-SAFIR in Arabic 25 Sep 80 p 6] 9123

CSO: 4802

MOROCCO

TEXT OF GOVERNMENT'S 1981 BUDGET BILL

Casablanca MAROC SOIR in French 10, 11 Nov 80

["Full text" of government-introduced 1981 budget bill]

[10 Nov 80, pp 3-6]

[Text] Total outlays for 1981 proposed by the budget bill introduced by the government are DH [dirhams] 34.778 billion versus DH29.754 billion in 1980, an absolute value increase of DH5.024 billion and relative value increase of 16.88 percent.

Total receipts for 1981 are estimated to be DH31.838 billion versus DH26.987 billion in 1980, an increase in absolute value of DH4.851 billion and in relative value of 17.97 percent.

The deficit proposed for 1981 is DH2.939 billion compared with DH2.766 for 1980. This is a 6.26 percent increase. These receipts and outlays are divided among the following three main parts of the budget bill: general state [central government] budget, annexed budgets [separate agency budgets annexed to the general budget], and special treasury accounts.

Part 1 - General State Budget

I. Outlays

General budget outlays rise from DH23.562 billion in 1980 to DH28.174 billion in 1981, an increase of DH4.611 billion or 19.57 percent.

These outlays are divided as follows among the general budget's three titles: Title 1, operating expenses of DH15.356 billion; Title 2, [capital] investment expenditures of DH9.96 billion; and Title 3, outlays of DH2.82 billion for the public debt [amortizable debt and floating debt]. Total outlays: DH28.174 billion.

Title 1 - Operating Expenses

These expenses are increased by DH2.722 billion, or 21.54 percent, rising from DH12.634 billion in 1980 to DH15.356 billion in 1981.

A. Breakdown by Main Items

Operating expenses are allocated among the following items: civil list and sovereignty's expenses: DH84.9 million; personnel costs: DH8.59 billion; expenditures

for equipment and miscellaneous supplies: DH3.382 billion; common charges: DH2.320 billion; allowances for unforeseen requirements: DH978 billion; for a grand total of DH15.356 billion.

1. Civil List and Sovereignty Expenses

These outlays are up 22.51 percent, rising from DH69.3 million in 1980 to DH84.9 million in 1981.

2. Personnel Costs

These outlays amount to DH8.59 billion in 1981 compared with DH7.714 billion approved in 1980. This is an increase of DH876.463 million or 11.36 percent. The financial impact of government pay raises adds an estimated DH528 million to the aforementioned figure. This additional expenditure is provisionally charged to allowances for unforeseen requirements (contingency funds). This pay increase will consist in raising the value of the "index point" 10 percent up to index 150 in two stages: 5 percent effective 1 January 1981 and 5 percent effective 1 July 1981.

Higher personnel costs are attributable mainly to the following factors:

- a. The creation of 36,921 jobs at an estimated cost of DH285 million for 1981.

These jobs include 32,598 permanent positions--3,120 of which are earmarked for upgrading temporary employees to permanent status at a cost of DH37 million--and 4,323 positions for other categories of personnel, including 1,900 for student teachers and 1,781 for the hiring of Moroccan nationals expelled from Algeria.

The principal ministries allocated these positions are:

- (1) National Education and Cadre Training: 13,402 positions, including 5,947 in elementary education, 6,240 in secondary education, and 1,213 in higher education.

- (2) Public Health: 2,539 positions.

- (3) Equipment and National Development: 1,624 positions.

- (4) Agriculture and Agrarian Reform: 1,367 positions.

- (5) Justice: 819 positions.

- (6) Finance: 723 positions.

- (7) Transportation: 526 positions.

- (8) Other departments: 15,921 positions designed principally to strengthen security and national defense services. Some of these positions are also allocated to faculties of cadre training schools and honor graduates of those schools, to the upgrading of temporary employees to permanent status, and to "regularization" of the hiring of Moroccan nationals expelled from Algeria.

b. The consequential effects of the conversion of 17,968 positions at an estimated cost of DH31.7 million for 1981.

c. The impact of measures taken in 1980 for the benefit of central government employees, such as the increased ration allowance for personnel of the Royal Armed Forces. Amount: DH130 million.

d. Normal promotion of central government employees and the effect thereof upon a year replete with the creation of jobs authorized by the Budget Act of 1980.

3. Equipment Expenditures

Outlays for equipment and miscellaneous supplies rise from DH2.896 billion in 1980 to DH3.382 billion in 1981, an increase of DH486.353 million or 16.79 percent.

This increase is attributable notably to:

a. Higher subsidies allocated to local governments [prefectures, provinces and communes] (DH345 million in 1981 versus DH270 million in 1980), and to public enterprises and to independently managed agencies (DH527 million in 1981 versus DH447 million in 1980).

b. Increased operating funds for certain ministries such as National Defense, National Education, Public Health, Foreign Affairs and Cooperation, Interior, etc.

c. Increased funds for university scholarships: DH387 million in 1981 versus DH360 million in 1980.

4. Common Charges

These outlays rise from DH1.371 billion in 1980 to DH2.320 billion in 1981, an increase of DH948 million or 69.17 percent.

This large increase is warranted by the very substantial rise in subsidies to the equalization funds for family allowances and to the ONICL [expansion unknown] for price supports on such essential foodstuffs as flour, edible oils, and sugar. These subsidies rise from an estimated DH486 million in the 1980 Budget Act to DH1.4 billion in 1981, a huge increase of DH914 million or 188 percent.

Subsidies from the common help maintain such important activities as the Moroccan pension fund--DH400 million--and continued action to obtain payments of the employer's share for validation of prior services by temporary employees covered by the group pension system (DH65 million).

A new item has been added to the common charges and allocated the sum of DH80 million for indemnifying lessors of housing property whose monthly income from all sources does not exceed DH1,500 and whose rental income has been reduced one-third pursuant to Decree Law N. 2-80-552 of 28 Kaada 1400 (8 October 1980).

5. Allowances for Unforeseen Requirements

These contingency funds earmarked for unforeseen requirements and provisional allowances total DH978 million in 1981. These funds include:

a. A provisional allowance of DH528 million covering pay raises for employees of the central government, local governments, and subsidized public institutions.

b. A regular allowance of DH450 million for unforeseen expenses. This is DH50 million or 10 percent less than the sum allocated in 1980.

B. Principal Recipient Ministries

Personnel and equipment outlays authorized in the budgets of all ministries combined total DH11.973 billion in 1981 versus DH10.610 billion in 1980, an increase of DH1.362 billion or 12.84 percent.

Ministerial departments responsible for national defense and national security receive 39.45 percent of this increase, with their outlays rising from DH4.241 billion in 1980 to DH4.779 billion in 1981, a rise of 12.67 percent. As a result, their share of the total personnel and equipment outlays remains practically unchanged: 39.92 percent in 1981 versus 39.97 percent in 1980.

The Ministry of National Education and Cadre Training receives 32.82 percent of the aforementioned increase. Its outlays rise from DH3.58 billion in 1980 to DH3.975 in 1981, an increase of 12.68 percent. This ministry's share thus amounts to 33.21 percent in 1981 compared with 33.5 percent in 1980.

The Ministry of Public Health receives an increase of DH71 million: DH701 million in 1981 versus DH630 million in 1980. Its share of all outlays authorized the ministerial departments is 5.85 percent.

The Ministry of Agriculture and Agrarian Reform receives an increase of DH79 million: DH680 million in 1981 versus DH601.3 million in 1980. Its share of total government personnel and equipment outlays is 5.68 percent.

The budgets of the other ministerial departments have increased appreciably. This is particularly true of the following ministries: Ministry of Housing: 46.72 percent increase; Ministry of Equipment and National Development: 22.87 percent increase; Ministry of Information: 20.83 percent increase; Ministry of Energy and Mines: 21.51 percent increase; Ministry of State in Charge of Foreign Affairs: 15.71 percent increase; and Ministry of Social Affairs and Handicrafts: 15.23 percent increase.

Title 2 - Investment Expenditures

The outlays authorized in the investment budget for 1981 total DH9.996 billion versus DH8.427 billion in 1980, an increase of DH1.568 billion in absolute value and 18.61 percent in relative value.

The following funds can be added to the above outlays:

a. Funds carried forward because unspent in previous budgets. These funds total approximately DH12 billion. This brings the amount of available outlays to nearly DH22 billion.

b. A total of DH14.003 billion in obligational authority for 1982 and subsequent years. This enables ministries to initiate, by means of multiyear contracts, programs whose full implementation time extends beyond the year 1981.

The following observations stem from a detailed review of the budgets of the different ministries. The latter are listed below in descending order of the amount of funds allocated to each.

1. Ministry of Equipment and National Development

This ministry receives the most funds in the 1981 budget: DH2.505 billion versus DH1.678 billion in 1980, an increase of DH741.086 million [as published] in absolute value and 49 percent in relative value.

In addition to its traditional activity in the infrastructure and secondary school construction fields--representing outlays of DH400 million this year--this ministry is also involved in the construction of a sports complex in Rabat in cooperation with the People's Republic of China.

The ministry's 1981 program of activity includes continuation of activities initiated under the 1978-1980 3-year program, plus a certain number of new projects in mainly the following fields:

a. Hydraulic engineering projects. In addition to intensifying the search for new sources of water, the ministry proposes to initiate the following projects: construction of new dams at Ait Chouarit on the Lakhdar Wadi, dams that will serve a threefold purpose: supplying water to Marrakech, irrigating the area of the central Haouz Plain, and generating hydroelectric power; construction of the Maradr Dam to supply water to the city and the Nador [iron and steel] complex; and construction of the Dkhila Dam associated with the Tamzaourt Dam.

b. Port facilities: initiation of the port of Laayoune project.

c. Road improvements: construction of road networks in support of irrigation or agricultural development projects; large-scale program for reinforcing and repairing the existing road system.

d. Drinking water supply: construction of water supply systems for the cities of Al Hoceima, Safi, and Nador, as well as various other small- or medium-size population centers. In this connection special mention should be made of the high-capacity desalination plant designed to supply water to the city of Tan-Tan.

During 1981, this ministry will receive a large amount of earth-moving machinery and other construction machinery enabling it to intensify its road and trail building and maintenance program, respecially by building access roads and trails to isolated areas.

2. Ministry of Agriculture and Agrarian Reform

The ministry's budget ranks second in its allocation of funds for 1981: DH1.503 billion versus DH 777.216 million in 1980, an increase of DH725.784 million or 93.5 percent.

In addition to continuing equipment programs for the nine irrigation areas, this budget includes increased effort in other fields of activity such as reforestation, soil conservation, and livestock raising. Programs in support of livestock raising include: increasing the feed supply, particularly by developing pasturelands; prophylactic measures to keep livestock healthy; improved breeding designed to enhance the quality of herds and increase their productivity.

This ministry is especially active in small-and medium-scale hydraulic engineering projects and in the "bours" areas. Mention should be made, in this connection, of the integrated projects in the Karia Tissa area, the Oulmes-Rommani region, the Middle Atlas region, and the Loukkos basin.

3. Ministry of Finance

Funds authorized in this ministry's 1981 budget total DH1.367 billion versus DH2.599 billion in 1980, a decrease of DH1.231 billion. As in previous years, most of the funds allocated to the Finance Ministry have to do with "common charges" which are actually the consolidation of a whole series of outlays not specifically connected with any particular ministry.

This considerable reduction in the ministry's funds results from an accumulation of unspent funds carried over from previous years, thereby making new outlay authorizations unnecessary.

On the contrary, the range of activity financed from "common charges" funds is being broadened to include new social action programs.

These programs include: construction of housing for the families of "martyrs" and for civil servants; and the granting of rebates on the interest charged for loans which Moroccans working abroad received for the purpose of acquiring housing to be used as their personal residence or that of their family.

In addition, "common charges" funds continue to be used for other purposes such as financing the government's holdings in public or semi-public corporations, the operations of special regional development funds and local government [provinces, prefectures, and communes] development funds.

4. Ministry of National Education

This ministry ranks fourth with an allocation of DH842.67 million compared with DH525.99 million in 1980, an increase of DH316.68 or 60 percent.

Added to the funds included in the "national education" chapter are outlays of DH400 million carried in the 1981 budget of the Ministry of Equipment and National Development for the construction of secondary schools.

The substantially increased funds authorized this ministry are apportioned among all stages of the educational system in such a way as to enable educational authorities to handle elementary and secondary school and university enrollment under the best possible conditions.

Thus, for example, the elementary education program calls for the construction of 2,701 classrooms for the opening of the 1981-1982 school year and initiation of school building programs in preparation for the start of the 1982-1983 and 1983-1984 school years.

For higher education, the budget covers the completion of programs begun under the 3-year plan plus a crash program to handle the increased enrollment expected in 1981 and 1982. This emergency program calls for the construction of lecture halls, laboratories, and classrooms in the Kingdom's different university faculties. It also includes social projects related to priority needs of the students.

Furthermore, the budget provides for the continuation of Third Education Plan projects for the construction of 47 rural elementary schools, five modern secondary schools, and the Meknes teacher training center. These projects receive World Bank financing.

Projects included in the Fourth Education Plan and receiving the same type of financing will enter their active phase in 1981. These projects call for the construction of 40 elementary schools, 11 technical secondary schools, the Mohammedia regional teacher training center, an engineer training school, two university faculties of technology, and expansion of the Mohammedia engineering school.

5. Ministry of Transportation

This ministry ranks fifth with an allocation of DH500 002 million versus DH391.65 million in 1980, an increase of DH108.352 million or 28 percent.

The greater part of this ministry's funds are allotted to the National Railroad Office's investment budget which alone absorbs 80 percent of the ministry's budget.

This railroad agency's principal infrastructure projects include: replacement of the tracks on the main line between Casablanca and Marrakech, duplication of the main line between Rabat and Casablanca, establishment of branch lines from the Moroccan Phosphates Office's mining centers to the new port of Jorf Lasfar, and continued study of the Marrakech-Laayoune rail line. The principal equipment projects include: the purchase of rolling stock, particularly locomotives and freight cars for hauling phosphates and general cargo; the installation of safety systems, notably communications and signal equipment.

The ministry's other capital investment outlays are mainly in aviation-related projects. These include: improvement of airport facilities at Marrakech, Al Hoceima, Tan-Tan, Errachidia, and Ouarzazate; completion of the Oujda air terminal; and procurement of aviation equipment, particularly devices and aids related to navigational safety.

6. Ministry of Energy and Mines

This ministry ranks sixth with an allocation of DH373.1 million versus DH240.18 million in 1980, an increase of DH132.92 million or 55 percent.

The ministry's budget finances activities that are the ministry's direct responsibility, such as mineral and geological exploration, energy research with emphasis on renewable sources of energy and vocational and cadre [managerial] training. Its budget also supports investment subsidies granted the Mineral Prospecting and Investment Office (BPRM) and the National Electricity Office (ONE).

The BPRM's program of activity centers upon petroleum exploration which in 1981 is expected, with World Bank financing, to represent an expenditure of some DH150 million, an amount two and a half times greater than the amount allotted to this exploration in 1980.

The BPRM's other activities include continued general mineral exploration operations, participation in the creation or strengthening of mining firms, and continued research on the possibilities of extracting crude oil from oil shale.

The ONE's tasks include: completion of the thermal power plant begun under the 1978-1980 3-year plan; completion of the hydroelectric plant being built in connection with the heightening of the Lalla Takerkoust dam; and installation of electric power transmission lines, networks, and their interconnections.

7. Ministry of Information

This ministry's budget has increased tremendously. It rises from DH33.24 million in 1980 to DH243.221 million in 1981. This is a sevenfold increase.

This increase is due to the inclusion of two new projects in the 1981 program, namely construction of the Radio Mediterranee Internationale broadcasting station and installation of the equipment required for creation of a second television channel.

It should also be noted that the RTM's [Moroccan Radio and Television] capital investment program includes completion of the project for extension of the television network to the Province of Figuig and the Saharan provinces.

8. Ministry of Public Health

This ministry's investment budget is also considerably increased. It rises from DH129.3 million in 1980 to DH237.71 million, an increase of DH108.41 million or 84 percent.

It should be pointed out at the outset that this ministry's capital investment program includes the large-scale project for construction of a new university hospital center in Casablanca, a project sponsored by His Majesty the King.

The ministry's program also includes completion of the following projects in the 1978-1980 3-year plan: the Rabat and Casablanca CHU [university hospital centers], 15 provincial hospitals, three regional hospitals, three area hospitals, the national cancer control center, and the national public health school. The ministry will continue its standard urban and rural disease prevention programs and its efforts to control schistosomiasis.

9. Ministry of Housing and Territorial Management

This ministry's budget rises from DH124.62 million in 1980 to DH205.427 million in 1981, an increase of DH80.803 million or 65 percent. The ministry's principal activities involve programs already underway, namely restructuring of the bidonvilles [shantytowns] in Rabat Douar Doum and Casablanca Ben Msik, establishment of master housing plans, and completion of the program of public housing for the families of "martyrs." Also included are such new projects as construction of the national school of architecture in Meknes, restructuring of the bidonvilles in Kenitra and Meknes, and the start of a restructuring program for small-and medium-size bidonvilles.

10. Prime Minister

Funds allocated in Chapter 2, "Prime Minister," for the financing of projects in the Saharan provinces amount to DH200 million compared with DH100 million in 1980. This doubling of authorized funds is evidence of the priority given those provinces.

11. Minister of Interior

This ministry's budget is DH81.194 million versus DH59.3 million in 1980, an increase of DH21.894 million or 37 percent.

The ministry's action focuses mainly on extending the geographical availability of administrative services in response to the general desire to bring administrative services closer to the people. Its action also focuses on the territorial civil defense program whose resources are to be considerably increased.

12. Ministry of Commerce and Industry

This ministry's budget amounts to DH80.555 million versus DH12.47 million in 1980, an increase of DH68.085 million or 546 percent.

This appreciable increase results from the transfer to this ministry of infrastructure funds for the Nador iron and steel plant project and the assumption of responsibility for new projects connected with the development of our maritime resources, including improvement of port facilities, installation of ship repair equipment, modernization of the traditional fishing fleet, and expansion of refrigeration facilities.

13. Ministry of Labor and Vocational Training

This ministry's budget rises from DH50.7 million in 1980 to DH78.54 million in 1981, an increase of DH27.84 million or 55 percent.

This budget is designed to permit completion of 10 institutes of applied technology and expansion of three training or refresher institutes in Casablanca.

14. Ministry of Youth and Sports

This ministry's budget remains unchanged at a level of approximately DH30 million intended mainly for completion of certain projects in the 1978-1980 3-year plan.

Actually the funds allocated to this ministry would have been much greater if construction of the Rabat sports complex had not been assigned to the Ministry of Equipment and National Development.

The budgets of the other ministries call for no special comment except the budget of the Ministry of Social Affairs and Handicrafts which includes two rather large projects in Rabat and Oujda in conjunction with collaborative programs involving Morocco, the World Bank, and the Dutch Government.

Title 3-Public Debt

Funds authorized in Title 3 for servicing the internal and external public debt, by payment of the interest on the debts and of such commissions and installments of the principal as are legally due, total DH2.820 billion versus DH2.5 billion in 1980. This is an increase of DH320.896 million or 12.8 percent.

Title 3 is divided into two chapters, the amortizable debt and the floating debt.

A. Amortizable Debt Chapter

Funds earmarked for servicing the internal and external amortizable debt total DH2.508 billion in 1981 versus DH2.201 billion in 1980, an increase of DH307.125 million or 13.9 percent.

This chapter consists of 56 separate articles grouped into three categories.

1. Articles 1 to 16 cover loans floated before 1957 and whose service is relatively constant from one year to another.

2. Articles 17 to 50 deal with funds allocated for payment of charges on either loans that were entirely received before 1980, or loans that are still in the process of being received and whose interest charges increase proportionately as they are received, or loans whose principal falls due in 1981 after expiration of the deferred liquidation granted them pursuant to the agreements on those loans, particularly articles 19 and 24 relative to French and IBRD loans.

3. Articles 51 to 56, including three articles entered merely for the record, provide for the service on loans contracted in 1979 and on which drawings were made in 1980.

B. Floating Debt Chapter

Funds authorized in this chapter rise from DH298.51 million in 1980 to DH312.281 million in 1981, an increase of DH13.771 million or 4.6 percent. This slight increase is due mainly to the Treasury's recourse to the money market.

II. Receipts

Total general state budget receipts for 1981 are estimated to be DH25.698 billion, an increase of DH4.031 billion or 18.6 percent from the DH22.666 billion estimated for 1980.

These estimated receipts are composed of the following chapters: direct taxes and other taxes classed as direct taxes: DH4.768 billion; customs duties: DH4.049 billion; indirect taxes: DH6.157 billion; stamp and registration taxes: DH1.5 billion; proceeds and income from state property: DH50 million; profits of state monopolies: DH1.362 billion; miscellaneous proceeds: DH439.33 million; receipts in abatement of expenditures: DH153.534 million; exceptional receipts and receipts from loans: DH7.068 billion; assistance funds: DH45.633 million; accounting receipts: DH50 million; grand total: DH25.698 billion.

Analysis of Principal Chapters

1. Direct Taxes

After deduction of OCP's [Moroccan Phosphates Office] payments of DH600 million in business profits tax, 1981 direct tax receipts are estimated to be DH4.168 billion [as published; listed above as DH4.768 billion], an increase of DH265 million or 6.78 percent from 1980.

This increase results from anticipated higher receipts from:

- a. Individual income tax: DH1.14 billion in 1981 versus DH950 million in 1980.
- b. Business license tax: DH240 million in 1981 versus DH195 million in 1980.
- c. Tax on real estate profits: DH80 million in 1981 versus DH60 million in 1980.

It should be noted that this year's estimates of receipts from the following taxes remain at the same level as 1980: agricultural tax: DH60 million; business profits tax: DH2.1 billion; supplemental tax: DH100 million; and national solidarity shares: DH300 million.

2. Customs Duties

These receipts are estimated to be DH4.049 billion, an increase of DH1.089 billion or 36.79 percent from 1980.

3. Indirect Taxes

These are estimated to be DH6.157 billion in 1981, an increase of DH914 million or 17.43 percent from 1980.

These indirect taxes include:

- a. Domestic consumption [excise] taxes. These taxes will show an increase of DH195 million from 1980.

The principal domestic consumption taxes are: tobacco tax: DH989 million; petroleum products tax: DH569 million; sugar tax: DH135 million; and wine and liquor tax: DH100 million.

b. Turnover taxes. These sale taxes are estimated to be DH4.189 billion, an increase of DH809 million or 23.93 percent from 1980.

4. Stamp and Registration Taxes

These taxes increase 23.54 percent from 1980, rising from DH1.258 billion to DH1.555 billion.

This increase stems from expected higher receipts from the following: tax on real estate transfers: DH340 million versus DH280 million in 1980; receipt stamp: DH126 million versus DH104 million in 1980; and customs stamp: DH675 million versus DH500 million in 1980.

5. Profits fo State Monopolies

These receipts are estimated to be DH1.362 in 1981, an increase of DH467 million or 52.15 percent from 1980. This increase is due to estimated higher eceipts from the following:

- a. Moroccan Phosphates Office: DH700 million versus DH500 million in 1980.
- b. Bank of Morocco: DH200 million versus DH70 million in 1980.
- c. Annexed [special agencies] budgets: DH180 million versus DH129 million in 1980.
- d. State's holdings in various companies: DH75 million versus DH30 million in 1980.
- e. SODEA [Agricultural Development Company]: DH60 million versus DH20 million in 1980.

6. Miscellaneous Proceeds

These receipts rise from DH310 million in 1980 to DH439 million in 1981, an increase of DH129 million or 41.61 percent. This increase comes mainly from commercial fishing license fees

7. Receipts from Loans

These receipts are estimated to be DH7.068 billion, including DH1.4 billion from internal long-term loans and DH5.5 billion from foreign long-term loans.

b. Assistance Funds

These funds total DH45.633 million. They correspond to the general state budget's receipt of the credit balance of the special purpose account known as "fund representing the exchange value of goods furnished by the Canadian Government."

Part 2 - Annexed Budgets

A. Operations

Operating expenses of the annexed budgets total DH868.569 million in 1981 versus DH760.170 million in 1980, an increase of DH108.393 million or 14.25 percent.

The breakdown of these expenses is as follows: Official Printing Office: DH4.279 million; Port of Casablanca: DH37.35 million; secondary ports: DH90.054 million; Ministry of State in Charge of Posts and Telecommunications: DH640 million; RTM [Moroccan Radio and Television]: DH96.915; for a grand total of DH868.569 million.

After deduction of DH317.293 million in assistance funds allotted to investment expenditures, and of surplus receipts transferred into general budget, the actual 1981 operating expenses are DH551.275 million compared with DH486.791 million in 1980, an increase of DH64,484 million.

This increase occurs in the following chapters:

a. Personnel Costs

These outlays rise from DH261.433 million in 1980 to DH288.713 million in 1981, an increase of 10.43 percent resulting from the following: promotion of permanent employees, financial impact of the creation of 805 jobs, and promotion of 576 temporary employees.

b. Equipment Expenditures

These outlays rise from DH113.998 million in 1980 to DH122.471 in 1981, an increase of DH8.473 million or 7.43 percent. Most of this increase--DH6.337 million--goes to the Ministry of State in Charge of Posts and Telecommunications.

Financing Charges

These costs cover payment of the annual installments due on loans charged to the annexed budgets. They total DH122.534 million, an increase of DH18,395 from 1980.

d. Unforeseen Requirements and Provisional Allowances

These contingency funds are estimated to be DH17.555 million versus DH7.220 million in 1980. The increase is due to pay raises scheduled to take effect on 1 January 1981 and 1 July 1981.

2. Operating Receipts

After deducting subsidies received from the general budget, the total estimated receipts with which to cover operating costs of the annexed budgets, amount to DH743.655 million versus DH660.53 million in 1980, an increase of DH83.125 million or 12.58 percent.

Subsidies from the general budget will total DH124.913 million in 1981 versus DH99.640 million in 1980, an increase of 25.63 percent.

These subsidies will be granted to the following annexed budgets: Official Printing Office: DH728,278; ports: DH75.970 million; TRM: DH48.215 million; for a total of DH124.913 million.

The annexed budgets of the Port of Casablanca and the Ministry of State in Charge of Posts and Telecommunications show surplus receipts totaling DH317.293 million, DH134.4 million of which are allocated to their investment budgets and the remaining DH182.893 million transferred to the general budget.

B. Investment

The total amount of outlays authorized the annexed budgets is DH351.921 million versus DH393.778 million in 1980, a decrease of DH41.857 million or 11 percent.

To these outlays are added an obligational authority of DH257.450, thus bringing the total amount of credit available to the annexed budgets to DH609.371 million.

Following is the breakdown of the investment outlays by annexed budget: Official Printing Office: DH900,000, Port of Casablanca: DH7.7 million; other ports: DH186.2 million; posts and telecommunications: DH126.7 million; and Moroccan Radio and Television: DH31.421 million.

Investment projects of these annexed budgets were briefly outlined above in the discussion [of Title 3] of the general budget, except for the budget of the Ministry of State in Charge of Posts and Telecommunications. The latter's investment outlays are entirely covered by its surplus receipts and, therefore, receives no subsidy from the general budget. This ministry's investment budget is devoted essentially to completion of projects in the 3-year plan.

PART 3 - Special Treasury Accounts

A. Special Treasury Account Expenses

These expenses are fixed at DH5.383 billion. They are increased by DH346.085 million or 6.87 percent from 1980 expenses.

The breakdown of these expenses by accounts is as follows: special purpose accounts: DH1.166 billion; banking and commercial operations accounts: DH27.077 million, accounts for membership in international organizations: DH67.082 million; monetary operations accounts: for the record: investment accounts: DH950 million, loan accounts: DH374.786 million; accounts for advances: DH138.406 million; accounts for grant expenditures: DH2.640 billion; for a total of DH5.383 billion.

B. Resources of Special Treasury Accounts

These resources are estimated to be DH4.920 billion in 1981 versus DH4.167 billion in 1980, an increase of DH752.688 million or 18.06 percent.

The breakdown of these resources is as follows: special purpose accounts: DH1.164 billion; banking and commercial operations accounts: DH27.514 million; accounts for membership in international organizations: for the record; monetary operations accounts: for the record; investment accounts: DH950 million; loan accounts: DH82.685 million; accounts for advances: DH50.975 million; accounts for grant expenditures: DH2.645 million; for a total of DH4.92 billion.

C. Analysis of Special Treasury Accounts

1. Special Purpose Accounts

The principal special purpose accounts are:

- a. National fund for the purchase and improvement of unimproved land: DH400 million.
- b. Fund for reinvestment of the proceeds from the sale of state-owned property: DH190 million.
- c. Central pharmacy fund: DH120 million.

A new fund is to be established, namely the special fund for preservation of the old city of Fez. It will be allocated DH200 million.

2. Banking and Commercial Operations Accounts

The resources and expenses of these accounts are almost entirely concerned with special operations of the National Defense Administration--DH7 million--and operations related to the procurement of rations and other supplies for FAR [Royal Armed Forces] units stationed in the Saharan provinces (DH20 million).

3. Accounts for Membership in International Organizations

Expenditures authorized these accounts are increased by DH55.89 million or 191 percent from 1980 expenditures. This increase is attributable mainly to the necessity of making payments falling due in 1981 for Morocco's membership in international organizations (DH37.264 million) and for the country's participation in the African Development Bank (DH19.136 million).

4. Investment Accounts

Allocations to these accounts remain at their 1980 level of DH950 million and are earmarked for the following:

- a. A maximum of DH800 million to cover the state's share in the capital stock of public enterprises or semipublic corporations.
- b. A maximum of DH150 million to cover the National Development ("Promotion") Program's expenditures for equipment and its campaign to combat unemployment.

5. Loan Accounts

The resources of these accounts come from amortization of the capital of loans granted in previous years.

As for expenditures, most of them constitute the Treasury's reconveyance to certain public agencies of loans granted the government either under bilateral agreements or by international organizations.

The principal recipients of these reconveyances in 1981 are: National Agricultural Bank: DH36 million; National Electricity Office: DH35.5 million; National Drinking Water Office: DH101 million; Moroccan Phosphorous Company: DH30 million; and SONABA [? National Construction Company]: DH30 million.

A new loan account is to be established in 1981. It will handle loans to those public enterprises and corporations whose capital belongs partly or wholly to the state (DH50 million).

6. Accounts for Advances

These accounts deal with resources consisting of the repayment of advances granted in previous years, and expenses consisting of the authorization of new advances.

Advances to be granted in 1981 will go to local governments (DH50 million) and SCAM farm cooperatives (DH35.426 million).

Two new accounts will be established in 1981. One will be for advances to the Casablanca Airport Authority (DH3 million). The other will handle advances to public enterprises and companies whose capital belong partly or wholly to the state (DH50 million).

7. Accounts for Equipment Expenditures

The resources of these accounts come from funds transferred from the general state budget.

In 1981, operations to be entered into these accounts concern the following:

- a. Procurement and repair of equipment for the Royal Armed Forces: DH1 billion.
- b. Regional development funds: DH600 million.
- c. Expenditures peculiar to development of the Saharan provinces: DH400 million.
- d. Development funds of local government and their grouping: DH600 million.

A new account is to be established in 1981, namely the fund for interest rebates to Moroccan workers in foreign countries (DH40 million).

Proposed Provisions

Provisions proposed in the government introduced 1981 budget bill are as follows:

1. Exemption of farm tractors from the tax on manufactured goods.
2. Empowering the prime minister, or the finance minister when specifically delegated by the prime minister, to modify tariff schedules and other import or export duties or taxes.

3. Ratification of changes, made by orders issued by the finance minister, to tariff schedules and import duties and taxes. The purpose of these changes is to:

a. Suspend customs duties on fresh milk during Ramadan: Ministerial Orders No 996-79, dated 17 Chaabane 1399 (12 July 1979) and No 942-80, dated 26 Ramadan 1400 (18 August 1980).

b. Reduce customs duty on compression equipment for medical use: Ministerial Order No 1018-79 dated 3 Hija 1399 (25 October 1979).

c. Increase customs duties on cranes with a lifting power of 10 tons or less, and on bridge cranes and gantry cranes with a lifting power of 30 tons or less: Ministerial Order No 1058-79, dated 17 Kaada 1399 (9 October 1979).

d. Increase customs duties on locks and hardware: Ministerial Order No 1113-79, dated 30 Kaada 1399 (29 October 1979).

e. Reduce customs duties on items required for attaching orthopedic equipment: Ministerial Order No 1-80, dated 11 Safar 1400 (31 December 1979).

f. Increase custom duties on cableways manufactured locally: Ministerial Order No 558-80, dated 29 Jomada II 1400 (15 May 1980).

g. Reduce customs duties on paper for use in automobile and industrial engine filters: Ministerial Order No 475-80, dated 7 Rejeb 1400 (22 May 1980).

h. Lower custom duties on glassware for medical and pharmaceutical use, on medical and medical-related equipment, and on medico-surgical furniture: Ministerial Order No 717-80, dated 27 Ramadan 1400 (9 August 1980).

4. Establishment of an interest rebate to be given Moroccan individuals working in a wage-earning, self-employed, or commercial capacity within a foreign country, a rebate to be deducted from interest payable on loans granted them by Moroccan credit agencies for the purpose of building or acquiring housing to be used as their personal residence or that of their family.

5. Establishment of a rebate, at a rate of two and a half points, on interest payable by recipients of loans for the planting of grapevines.

6. Establishment of a rebate, at a rate of two and half points, on interest payable on loans granted local governments by the Communal Equipment Fund.

7. Discontinuance of the transport allowance.

8. Establishment of the following special treasury accounts:

a. A special fund for preservation of the old city of Fez.

b. One account for loans and another for advances granted to public enterprises and companies whose capital belongs partly or wholly to the state.

- c. An account for advances to the Casablanca Airport Authority.
- d. A fund for interest rebates granted Moroccans working in foreign countries.
- 9. Discontinuance of the special purpose fund entitled: fund representing the exchange value of goods furnished by the Canadian Government."

Part I - General Conditions of Financial Balance

Article 1 - Authorized Taxes and Revenue

1. Subject to the provisions of this budget act, the following measures shall continue to be operative during the year 1981, pursuant to the legislative and statutory provisions in force at the time:

- a. Collection of taxes, proceeds, and revenue assigned to the state.
- b. Collection of taxes, proceeds, and revenue assigned to local governments and duly empowered, public institutions and agencies.

2. Any direct or indirect taxes other than those authorized by the legislative and statutory provisions in force and by this budget act, whatever the title or designation under which they are levied, are expressly forbidden, and any authorities ordering such levy, any government employees preparing such tax assessment rolls and rates, and any person collecting such taxes shall be prosecuted as extortioners without prejudice to legal action to recover any payments made, action taken during a period of 3 years against the recipients, collectors, or other persons receiving such payments.

Also punishable pursuant to the penalties prescribed for extortioners are any government authorities or civil servants who, in whatever form or for whatever reason, shall, without legislative or regulatory authority, grant exemptions or immunities from government duties and taxes, or shall gratuitously or wantonly deliver the products or services of state-controlled establishments.

Article 2 - Customs Duties and Indirect Taxes

1. Pursuant to the provisions of Article 44 (3) of the Constitution, the prime minister, or the finance minister when specifically delegated by the prime minister, is empowered, for the year 1981, to modify tariff schedules and other import or export duties and taxes.

2. Pursuant to the provision of Article 44 of the Constitution, ratified hereby are the changes in tariff schedules and other duties and taxes made by the ministerial orders indicated below and by virtue of the provisions of Article 6 of the Budget Act of 1980 No 38-79 promulgated by Decree No 1-79-413, dated 11 Safar 1400 (31 December 1979).

- a. Finance Minister's Order No 996-79, dated 17 Chaabane 1399 (12 July 1979) covering temporary suspension of the collection of import duty on fresh milk (Decree No 3494, dated 25 Kaa 1399 (17 October 1979)).

b. Finance Minister's Order No 1018-79, dated 3 Hija 1399 (25 October 1979) modifying the customs duty schedule and quotas applicable to the importation of certain products (Bulletin Officiel No 3496, dated Hija 1399-31 October 1979).

c. Finance Minister's Order No 1058-79, dated 17 Kaada 1399 (9 October 1979) modifying the customs duty schedule and quotas applicable to the importation of certain products (Bulletin Officiel No 3497, dated 16 Hija 1399-7 November 1979).

d. Finance Minister's Order No 1113-79, dated 30 Kaada 1399 (22 October 1979) modifying customs duty schedule and quotas applicable to the importation of certain products (Bulletin Officiel No 3498, dated 23 Hija 1399-14 November 1979).

e. Finance Minister's Order No 1-80, dated 11 Safar 1400 (31 December 1979) modifying the custom duty schedule and quotas applicable to the importation of certain products (Bulletin Officiel No 3511, dated 26 Rebia I 1400-13 February 1980, as amended by Bulletin Officiel No 3518, dated 16 Joumada 1400-2 April 1980).

f. Finance Minister's Order No 558-80, dated 29 Joumada II 1400 (15 May 1980) modifying the customs duty schedule and quotas applicable to the importation of certain products (Bulletin Officiel No 3525, dated 6 Rejab 1400-21 May 1980).

g. Finance Minister's Order No 475-80, dated 7 Rejab 1400 (22 May 1980) modifying the customs duty schedule and quotas applicable to the importation of certain products (Bulletin Officiel No 3526, dated 13 Jeb 1400-28 May 1980).

h. Finance Minister's Order No 717-80, dated 27 Ramadan 1400 (9 August 1980) modifying the customs duty schedule and quotas applicable to the importation of certain products (Bulletin Officiel No 3537, dated 2 Chaoual 1400-13 August 1980).

i. Finance Minister's Order No 986-80, dated 17 Chaoual 1400 (29 August 1980) modifying the customs duty schedule and quotas applicable to the importation of certain products (Bulletin Officiel No 3541, dated 30 Chaoual 1400-10 September 1980).

j. Finance Minister's Order No 942-80, dated 26 Ramadan 1400 (8 August 1980) covering temporary suspension of the collection of custom duty on fresh milk imports (Bulletin Officiel No 3544, dated 21 Kaada 1400-1 October 1980).

Article 3 - Tax on Goods and Tax on Service

Effective 1 January 1981, Articles 7b, 13, 20, and 76 of Decree No 1-61-444, dated 22 Rejab 1381 (30 December 1961), substituting a tax on goods and a tax on services for the transactions tax as amended and supplemented, are modified or supplemented as follows:

Article 7b. The following are subject to the tax on goods:

1. At a rate of 12 percent: the goods hereinafter designated: processed foods for children, seeds for planting fruits and vegetables.

2. At a rate of 11.25 percent: (no change).

Article 13. Exempt from the tax on goods and the tax on services are sales of the following, other than those items consumed at the place of sale or those deliveries referred to in Articles 4, 7b, 8, 9, and 11 relating to:

1....

26. Farm tractors and components necessary to their manufacture.

This exemption is conditioned upon compliance with the procedures prescribed by the pertinent regulations.

Article 20

1....2....3....4....

5. In the case of operations covered by the exemptions and suspension prescribed in Articles 13 (paragraphs 7, 9, 14, 16, 21, 22, 23, and 26), 18b, and 13c, if the volume of taxable sales....(remainder unchanged).

Article 76. The following are tax exempt:

1....

19. Farm tractors (No 87.01 in the customs schedule).

Article 4 - Interest Rebates for Moroccans Working Abroad

Effective 1 January 1981, there is established, at government expense, an interest rebate to be given Moroccan individuals working in a wage-earning, self-employed, or commercial capacity within a foreign country, a rebate to be deducted from interest payable on loans granted them by Moroccan credit agencies for the purpose of building or acquiring housing for use as their personal residence or that of their family.

This interest rebate is not authorized any person already receiving the interest rebate established by the royal decree promulgated in Law No 552.67, dated 26 Ramadan 1388 (17 December 1968) relative to land-bank loans, construction loans, and loans to the hotel industry.

Pursuant to the provisions of Article 44 of the Constitution, the government is authorized, for the year 1981, to set the rate of this rebate and conditions under which it will be granted.

Funds committed to this rebate shall have to remain within the credit limit authorized by the budget act.

Article 5 - Planting of Grapevines

Effective 1 January 1981, an interest rebate at the rate of two and a half points shall be paid the National Agricultural Credit Bank for the purpose of making deductions in the interest payable by recipients of loans for the planting of grapevines.

Article 6 - Communal Equipment Fund

Effective 1 January 1981, local governments are entitled to an interest rebate of two and a half points on interest rates payable on loans granted them by the Communal Equipment Fund.

This rebate, which is chargeable to the state, is granted under terms and conditions prescribed by pertinent regulations.

Article 7 - Discontinuance of the Transfer Allowance [as published; referred to as "transport" allowance earlier in the budget]

The following are rescinded effective 1 January 1981: the provisions of Article 29 of the decree promulgating Budget Act Amendment No 1-73-400, date 29 Joumada II 1393 (30 July 1973) for the year 1973, and the provisions of Article 57 of the decree promulgating the Budget Act of 1974, Decree No 1-73-707, dated 6 Hija 1393 (31 December 1973).

2. Allocation of Resources

Article 8

Subject to the provisions of this budget act, allocations resulting from the annexed budgets and special treasury accounts open as of 31 December 1980 are hereby confirmed for 1981.

Article 9

Exceptional (special) taxes shall continue to be levied during 1981 in conformity with the legislative and regulatory provisions in force at that time.

Title 2. Provisions Relative to Balancing Resources and Expenditures

Article 10

Resources allocated for 1981 to the general state budget, the annexed budgets, and the special treasury accounts—as estimated in Table A appended to this budget act—as well as the ceiling on outlays and the resultant general balance, are fixed at the following amounts (in millions of DH).

Part 1. General State Budget

Resources: DH25,698; operating expenses: DH15,356.6; investment outlays: DH9,996.6; outlays for amortizable debt and floating debt: DH2,820.9; grand total of outlays: DH28,174.2

Part 2. Annexed Budgets

Official Printing Office: resources: DH4.2; operating expenses: DH4.24.

Port of Casablanca: resources: DH45; operating expenses: DH37.4; investment outlays: DH7.7.

Other Parts: resources: DH276.2; operating expenses: DH90.1; investment outlays: DH186.1.

Ministry of State in Charge of Posts and Telecommunications: resources: DH766.7; operating expenses: DH640; investment outlays: DH126.7.

Moroccan Radio and Television: resources: DH128.3; operating expenses: DH96.9; investment outlays: DH31.4.

Total for annexed budgets: resources: DH1,220; outlays: DH1,220.

Part 3. Special Treasury Accounts

The first figure shown for each account is the resources, the second is outlays. Both are in millions of dirhams.

Special purpose accounts: DH1,664.3; DH1,666.4

Banking and commercial operations accounts: DH27.5; DH27.1.

Accounts for settlements with foreign countries: (for the record).

Accounts for membership in international organizations: (for the record); DH87.1.

Monetary operations accounts: (for the record).

Investment accounts: DH950; DH950.

Loan accounts: DH82.7; DH374.8.

Accounts for advances: DH51; DH138.4.

Accounts for equipment outlays: DH2,640; DH2,640.

Total of special treasury accounts: DH4,920.5; DH5,383.7.

Grand Totals [of general budget, annexed budgets, and special treasury accounts]: DH31,839. [resources]: DH34,778.4 [outlays].

Overall deficit: DH2,939.4.

Article 11

1. The government is authorized to borrow, during the year 1981, from foreign governments, foreign or international agencies within the limit of the amount of

estimated receipts entered in line 8, Chapter 9 of the general state budget:
"special receipts and loan receipts: exchange value of foreign loans."

2. Loan agreements, conventions, or contracts within the scope of the authorization granted in paragraph 1 of this article shall be approved by decree upon recommendation of the finance minister. These agreements, conventions, or contracts may include an arbitration clause or a clause waiving the privilege of immunity from jurisdiction and execution.

Article 12

To cover all of the Treasury's expenses during 1981, the floating of internal loans is hereby authorized.

Special Provisions

The following provisions are applicable to 1981.

Part 1. General State Budget

Article 13

The level of credit established for the ministries in 1980 under Title 1 of the general state budget for operating expenses is fixed at DH15.356 billion.

These funds are allotted by ministry and chapter as shown in Table B appended to this budget act.

Article 14

The amount of funds the Minister of Public Health is authorized to spend in 1981 under Title 1, operating expenses, of the general state budget, in advance of funds that will be allotted to him for 1982, is fixed at DH 12 million.

Article 15

The amount of total obligational authority for programs authorized the ministries under Title 2, investment outlays, of the general state budget is fixed at DH24 billion, of which DH9.996 billion is for outlays in 1981.

This obligational authority for programs and these outlays are distributed by ministry and chapter as shown in Table C appended to this budget act.

Article 16

The amount of fund allocations cancelled under Title 2, investment outlays, of the general state budget for 1980 and previous years is fixed at DH40.384 million. These cancelled funds are indicated per ministry and chapter in Table D appended to this budget act.

Article 17

The amount of credit established for the ministries in 1981 under Title 3, outlays for the amortizable debt and floating debt, of the general state budget is fixed at DH2.820 billion.

These funds are distributed by chapter as shown in Table E appended to this budget act.

Part 2. Annexed Budgets

Article 18

The amount of credit established to ministries for 1981 as operating expenses of the annexed budgets is fixed at DH868.594 million and allocated as follows: annexed budget of the Official Printing Office: DH4.249 million; annexed budget of the Port of Casablanca: DH37.350 million; annexed budget for other ports: DH90.054 million; annexed budget of the Ministry of State in Charge of Posts and Telecommunications: DH640 million; annexed budget of Moroccan Radio and Television: DH96.915 million. Grand total of all annexed budgets: DH:868.569 million.

These funds are distributed by chapter as shown in Table F appended to this budget act.

Article 19

The amount of funds the Ministry of State in Charge of Posts and Telecommunications is authorized to spend as operating expenses within the annexed budget of the Ministry of State in Charge of Posts and Telecommunications, in advance of funds that will be allotted that ministry for 1982, is fixed at DH8 million.

Article 20

The amount of obligational authority for programs allocated the ministries as investment outlays within the annexed budgets is fixed at DH609.371 million, including DH351.921 million in outlays for 1981.

These funds are distributed as follows among the annexed budgets. The first figure indicates outlays for 1981, the second figure is the obligational authority for programs, for 1982 and subsequent years, the third is the total.

Annexed budget of the Port of Casablanca: DH7.7 million; DH2.7 million; DH10.4 million.

Annexed budget of other ports: DH186.1 million; DH183.75 million; DH369.85 million.

Annexed budget of the Ministry of State in Charge of Posts and Telecommunications: DH126.75 million; DH71 million; DH197.7 million.

Annexed budget of Moroccan Radio and Television: DH31.421 million; [no obligational authority for programs]; DH31.421 million.

Total investment expenditures for annexed budgets: outlays for 1981: DH351.921; obligational authority for programs in 1982: DH257.45 million; grand total: DH609.371 million.

These outlays and obligational authority for programs are distributed by chapter as shown in Table G appended to this budget act.

Article 21

The amount of investment outlay credit cancelled in the annexed budget of the Ministry of State in Charge of Posts and Telecommunications for the year 1980 and previous years is set at DH9 million.

Part 3. Special Treasury Accounts

Article 22

The amount of credit established for ministries in 1981 for operations of the special purpose accounts is set at DH1.166 billion.

Article 23

The amount of credit established for ministries in 1981 for banking and commercial operations is set at DH27.077 million.

Article 24

The amount of credit established for ministries for operations of the accounts for membership in international organizations is set at DH87.082 million.

Article 25

The amount of credit established for ministries in 1981 for operation of investment accounts is set at DH950 million.

Article 26

The amount of credit established for ministries in 1981 for operations of loan accounts is set at DH374.786 million.

Article 27

The amount of credit established for ministries in 1981 for operations of the accounts for advances is set at DH138.426 million.

Article 28

The amount of credit established for ministries in 1981 for operations of the accounts for equipment outlays is set at DH2.640 billion.

Article 29

Notwithstanding the provisions of paragraph 1, Article 25, Decree No 1-72-260, dated 9 Chaabane 1392 (18 September 1972) promulgating the organic finance law, performance of the operations of special treasury accounts open on or after 31 December 1980, and the direct charging to certain of these accounts of expenditures resulting from the payment of salaries or allowances, shall continue in 1981, in conformity with the legislative and regulatory provisions in force at that time.

Standing Provisions Relative to Special Purpose Accounts

Establishment of a special purpose account named "Special fund for preservation of the old city of Fez."

Article 30

1. To account for operations relative to the preservation of the old city of Fez, a special purpose account is to be established on 1 January 1981. It shall be called "Special fund for preservation of the old city of Fez" and be managed by the minister of interior.
2. Entries on the credit side of this account shall include contributions received by the program for preservation of the old city of Fez, loans made for the said preservation of the old city of Fez, and funds transferred from the general state budget. Entries on the debit side shall include all expenditures chargeable to the program for preservation of the old city.
3. Pursuant to the provisions of paragraph 3, Article 25 of Decree No 1-72-260, dated 9 Chaabane 1392 (18 September 1972) promulgating the organic finance law, this account may be charged directly for expenditures resulting from the payment of salaries or allowances to employees assigned to carrying out this program.

Account No 35-31, named "Fund representing the exchange value of goods furnished by the Canadian Government," is hereby discontinued.

Loan Accounts

Establishment of a loan account named "Loans to public enterprises and corporations whose capital is partly or wholly owned by the state."

Article 32

1. To account for operations relative to Treasury loans that will be granted to public enterprises and corporations whose capital is partly or wholly owned by the state, a special account is to be established on 1 January 1981. It shall be called "Loans to public enterprises and corporations whose capital is partly or wholly owned by the state," and be managed by the minister of finance.
2. Entries on the debit side of this account shall include all sums made available to public enterprises and corporations whose capital is partly or wholly owned by the state." Entries on the credit side shall include all repayments on these loans

received from public enterprises and corporations whose capital is partly or wholly owned by the state.

Accounts for Advances

Establishment of an account named "Advances to the Casablanca Airport Authority."

Article 33

1. To account for operations relative to advances the Treasury will grant to the Casablanca Airport Authority, a special account is to be established 1 January 1981. It shall be called "Advances to the Casablanca Airport Authority," and be managed by the Minister of Finance.

2. Entries on the debit side of this account shall include all sums made available by these advances to the Casablanca Airport Authority. Entries on the credit side shall include all repayments on these advances received from the Casablanca Port Authority.

Establishment of an account for advances named "Advances to public enterprises and corporations whose capital is partly or wholly owned by the state."

Article 34

1. To account for operations relative to Treasury advances that will be granted to public enterprises and corporations whose capital is partly or wholly owned by the state, a special account is to be established on 1 January 1981. This account shall be called "Advances to public enterprises and corporations whose capital is partly or wholly owned by the state," and be managed by the Minister of Finance.

2. Entries on the debit side of this account shall include all sums made available to public enterprises and corporations whose capital is partly or wholly owned by the state. Entries on the credit side shall include all repayments on these advances received from public enterprises and corporations whose capital is partly or wholly owned by the state.

Accounts for Equipment Outlays

Establishment of an account for equipment outlays named "Fund for interest rebates to Moroccans working abroad"

Article 36

To account for operations relative to interest rebates granted to Moroccan individuals working abroad in a wage-earning, self-employed, or commercial capacity, rebates on loans given them for the construction or acquisition of housing to be used as the individual's residence or that of his family, an account for equipment expenses is to be established on 1 January 1981. This account shall be called "Fund for interest rebates to Moroccans working abroad," and be managed by the Minister of Finance.

2. Entries on the credit side of this account shall include all funds transferred from the general state budget. Entries on the debit side shall include all expenditures relative to interest rebates granted to Moroccans working abroad.

Table A (Article 10)

Table of Ways and Means Applicable to the 1981 Budget (in dirhams)

1. General State Budget

Estimated Receipts for 1981

Chapter 1-Direct Taxes and Other Taxes Classed as Direct Taxes.

Agricultural tax: 60 million; business license tax: 240 million; business profits tax: 2.7 billion; individual income tax: 1.14 billion; urban tax: 30 million; tavern license fees: 3.5 million; supplemental tax on gross individual income: 100 million; tax on dividends or on interest income and income classed as such: 100 million; penalties for late filing or payment of direct taxes: 15 million; tax on unimproved urban land: for the record; tax on real estate profits: 80 million; and national solidarity shows: 300 million; for a Chapter 1 total of 4.768 billion.

Chapter 2. Customs Duties

Import duties: 1.44 billion; special import tax: 2.375 billion; small duty on exports, to cover cost of trade statistics: 30 million; export duty on ore: 200,000; export duties on other commodities: 4 million; miscellaneous receipts: for the record; for a Chapter 2 total of 4.049 billion.

Chapter 3. Indirect taxes and Domestic Consumption Taxes

Wine and liquor taxes: 100 million; taxes on carbonated beverages and mineral waters: 30 million; taxes on sugar, sugared products, saccharin and other artificial sweeteners: 135 million; tax on exotic food products and their substitutes: 22 million; beer tax: 45 million; fees for analysis and assay of silver, gold and platinum materials: 10 million; taxes on rubber tire treads, solid tires, inner tubes, and pneumatic tires: 3 million; taxes on petroleum products: 569 million; match tax: 6 million; amusement tax: 8 million; tobacco taxes: 989 million; tax on proceeds of games of chance: 1 million; tax on stakes of horse and greyhound races: 50 million; for a total of 1.968 billion in domestic consumption taxes.

Turnover taxes: tax on goods and tax on services: 4.189 billion.

Total for Chapter 3: 6.157 billion.

Chapter 4. Registration and Stamp Taxes

Registration taxes: taxes on real estate transfers: 340 million; taxes on other contracts: 30 million; tax on legal and extrajudicial instruments: for the record; legal and notarial taxes: 45 million; penalties: 12 million; miscellaneous fees and incidental receipts: for the record; legal aid: 600,000; tax on insurance: 34.4 million; for a total of 1.462 billion in registration tax receipts.

Stamp taxes: single stamps and tax stamps based on size of paper: 126 million; stamp on doctor's prescriptions: 76.6 million; identity cards: 10 million; hunting licenses and permits for carrying weapons: 10 million; stamps on automobile papers: 60 million; proceeds from the sale of the stamp tax regulations: for the record; penalties: 1 million; stamps on receipts for duties collected by the customs service: 675 million; for a total of 958 million in stamp taxes.

Special annual tax on motor vehicles: principal tax and duplicate copy of receipt: 125 million; late fees and penalties: 10 million; for a total of 135 million in annual motor vehicle tax receipts.

Grand total for Chapter 4: 1.555 billion.

Chapter 5. Proceeds and Revenue From State-Owned Property

National Forests: proceeds from forests: for the record

Public lands other than national forests: rents for occupation of state-owned lands: 12.6 million; fees for use of ground water in public lands: 100,000; sale of state-owned houses (rental housing, etc): 26 million; sale of furniture, wrecked or scrapped equipment: 3 million; estates without a claimant and escheated: 100,000; miscellaneous receipts: 200,000; total of proceeds and revenue from public property other than national forests: 50 million.

Chapter 5 total: 50 million

Chapter 6. Profits of State Monopolies and Dividends from State-Owned Shares of Stock in Companies

1. Share of the Tobacco Authority's profits allotted to the state: 9.9 million.
2. Dividends from the Moroccan Phosphates Office: 700 million.
3. Share of Bank of Morocco's profits allotted to the state: 200 million.
4. Share of the Deposit and Investment Fund's profits allotted to the state: 55 million.
5. Proceeds to accrue from the Marketing and Export Office: for the record.
6. Proceeds to accrue from the National Transportation Office: 40 million.
7. Miscellaneous proceeds from other public industrial and commercial enterprises: 40 million.
8. Proceeds to accrue from the Spas of Ouimes, Moulay Yacoub, and Harazem: 150,000.
9. Surplus receipts of the special budgets of commercial-type enterprises: 177.925 million.

10. Surplus receipts of the special budgets of public service-type activities: 4.968 million.

11. Dividends from shares of stock the state owns in various companies: 75 million.

12. Proceeds to accrue from the SODEA [Agricultural Development Company]: 60 million.

Chapter 6 total: 1.362 billion.

Chapter 7. Miscellaneous Proceeds

Article 1. Ministry of Justice

Jurisdiction

1. Fines and pecuniary judgments imposed by judicial jurisdictions: 6 million.

2. Forfeitures in lieu of prosecution by government agencies, and various other fines other than those imposed by the juridical jurisdictions: 4 million.

3. Miscellaneous receipts: 15,000.

Penitentiary Administration

4. Miscellaneous proceeds from the Penitentiary Administration: 100,000.

Total Article 1 receipts: 10.115 million.

Article 2. Ministry of Foreign Affairs and Cooperation

5. Chancery dues: 12 million.

6. Fees collected by diplomatic and consular agents for legal instruments relative to shipping and trade, for various certificates of origin, discharge of cargo, and customs documents: 300,000.

7. Miscellaneous receipts: 3 million.

Total of Article 2: 1.85 million.

Article 3. National Defense Administration

8. Reimbursement for equipment, pharmaceutical supplies, charges for treatment and hospitalization in hospital facilities of the Royal Armed Forces: 1.85 million.

Total of Article 3: 1.85 million.

Article 4. Ministry of Interior

9. Fees for paid police services: for the record.

Total of Article 4: for the record.

Article 5. Ministry of Finance

10. Interest on investments and loans: 46 million.
11. Proceeds of settlements in cases of tax-related infractions: 10 million.
12. Percentage of commission on public sales and rentals: 1 million.
13. Proceeds of confiscations: for the record.
14. Penalties and fines other than tax-related: for the record.
15. Receipts of automatic data-processing department: 300,000.

Total of Article 5: 67.3 million.

Article 6. Ministry of Handicrafts.

16. Stamping fee: 2.6 million.
17. Inspection fee: 3.6 million.

Total of Article 6: 6.2 million.

Article 7. Ministry of Commerce and Industry

18. Fee for checking weights and measures: 500,000.
19. Receipts relative to patents, the registering of designs and models, trademarks, etc.: 200,000.
20. Fees for commercial deepsea fishing licenses: 100 million.
21. Out-of-court settlement of fishing offences: 3 million.

Total of Article 7: 103.7 million.

Article 8. Ministry of Transportation

22. Fees from concessions for installing large pound nets in Moroccan territorial waters: 50,000.
23. Tax on private means of transport: 5 million;
24. Airport taxes: 16 million.

Total of Article 8: 21.050 million.

Article 9. Ministry of Energy and Mines

25. Tax on mineral prospecting permits, mining permits, and transfer tax: 960,000.

26. Laboratory analysis fees: 150,000.

Total of Article 9: 1.11 million.

Article 10. Ministry of Equipment and National Development

27. Royalties on extraction of materials: 900,000.

28. Miscellaneous receipts: 1.5 million

Total of Article 10: 2.45 million.

Article 11. Ministry of Agriculture and Agrarian Reform

29. Proceeds from experimental farms and gardens: 5 million.

30. Special surtax on meat from urban slaughterhouses: 800,000.

31. Tax on quarantine inspection of plants, parts of plants, and vegetable products destined for import and export: 300,000.

32. Laboratory analysis fees: 300,000.

33. Real Estate registration fees: 93 million.

34. Income from studfarms: 10,000.

35. Veterinary inspection tax on animals and animal products destined for export and import: 500,000

36. Miscellaneous receipts: 2.5 million.

Total of Article 11: 102.41 million.

Article 12. Ministry of National Education and Cadre Training

37. School taxes: for the record.

38. Miscellaneous receipts: for the record.

Total of Article 12: for the record.

Article 13. Ministry of State in Charge of Cultural Affairs

39. Entrance fees to historical monuments, antiquities, arts, and folklore: 150,000.

Total of Article 13: 500,000 [as published].

Article 14. Ministry of Youth and Sports

40. Share of food and lodging expenses paid by trainees and young people in camps and training centers: 500,000.

Total of Article 14: 500,000.

Article 15. Ministry of Public Health

41. Fees for sanitary checks and inspections: 40,000.

42. Reimbursement for materials and pharmaceutical supplies, treatment and hospitalization charges in medical facilities: 6 million.

43. Laboratory analysis fees: 2 million.

44. Miscellaneous receipts: 800,000.

Total of Article 15: 8.84 million.

Article 16

45. Sales of pamphlets, maps, and various documents published by the ministries: 1.22 million.

Total of Article 16: 1.22 million.

Article 17: Miscellaneous and Incidental Receipts

46. Chancery fees on coats of arms and heraldic devices: for the record.

47. Return of unspent funds appropriated for wages and salaries: 40 million.

48. Unexpended balance of invalidated import deposits: 100,000.

49. Return by National Transportation Office of unspent funds appropriated for the procurement of motor vehicles: 100,000.

50. Receipts of orders of the Kingdom: 5,000.

51. Proceeds of confiscations, settlements, and fines for violation of price regulations: 3 million.

52. Miscellaneous and incidental receipts: 50 million.

Total of Article 17: 93.205 million.

Article 18

53. Invalidated Treasury debts: 4 million.

Total of Article 18: 4 million.

Grand total of Chapter 7: 439.33 million.

Chapter 8. Receipts in Abatement of Expenditures

1. Receipts in abatement of expenses of the amortizable debt and the floating debt: for the record.
2. Contribution of local governments to expenditures chargeable to the general budget: for the record.
3. Share of general budget loan charges paid by annexed budgets and commercial-type public enterprises: 17.481 million.
4. Share of general budget loan charges paid by public service-type public enterprises: 105.053 million.
5. Payments made by landowners or farmers under the terms of the Agricultural Investment Code: 20 million.
6. Payments made by public enterprises and concessionary companies on loans received for financing equipment programs prefinanced by the general state budget: 10 million.
7. Miscellaneous receipts in abatement of expenditures: 1 million.

Total of Chapter 8: 153.534 million.

Chapter 9. Exceptional Receipts and Receipts From Loans

Exceptional Receipts

1. Contributions to national solidarity program: for the record.
2. Proceeds of stock sales: for the record.
3. Exceptional accounting receipts: for the record.
4. Amount drawn from funds representing the exchange value of goods furnished by governments of friendly countries and by international organizations: 18 million.

Receipts from Loans

5. Long-term internal loans: 1.4 million.
6. Receipts from compulsory loan: for the record.
7. Proceeds of investment-reserve equipment bonds: 150 million.

International Cooperation

8. Exchange value of foreign loans: 5.5 million.

Total of Chapter 9: 7.068 million.

Chapter 10. Assistance Funds and Receipts Classed as Such

Regular and Special Assistance Funds

1. Funds and aid designated for various departments: for the record.
2. Proceeds from bequests and donations to the state and various government departments and agencies: for the record.

International Cooperation

3. Assistance Funds: 45.633 million.

Total of Chapter 10: 45.633 million.

Chapter 11. Accounting Receipts

1. Carryover of funds available in the preceding year's budget: for the record.
2. Transfer of funds from budgetary outlays: 50 million.

Total of Chapter 11: 50 million

Grand total of general state budget's receipts: 25.698 billion.

Annexed Budget of Official Printing Office

Part 1. Operating receipts

1. Proceeds from advertising in the Official Bulletin: 1.5 million.
2. Proceeds from subscriptions and single-copy sales of Official Bulletin: 700,000.
3. Proceeds from printing of various periodicals; for the record.
4. Proceeds from reimbursable printing work done for various departments and agencies: 1.3 million.
5. Miscellaneous and incidental receipts: 4,000.

Proceeds from sale of waste and scrap items: 10,000.

Reimbursement of rental housing expenses paid for employees: for the record.

6. Miscellaneous assistance funds: for the record.
7. Transfer of funds appropriated for wages and salaries: 7,500.
8. Transfer of funds appropriated for budget outlays: for the record.

9. Subsidy from general budget to cover operating deficit: 728,278.

Total operating receipts: 4.249 million.

Part 2. Investment Receipts

1. Assistance funds from Part 1 of the annexed budget allotted to investments: for the record.

2. Miscellaneous assistance funds: for the record.

3. Transfer of funds after close of fiscal year: for the record.

4. Carryover of funds available in preceding year's budget: for the record.

Total investment receipts: for the record.

Total receipts of the annexed budget of the Official Printing Office: 4.249 million.

Annexed Budget of the Port of Casablanca

Part 1. Operating Receipts

1. Pilotage fee: for the record

2. Port tax: 7 million.

3. Toll charge for cruise ships and passenger ships: 200,000.

4. Toll charge for ships loading and unloading cargo: 26 million.

5. Taxes on unloading bulk liquid fuels: 2.36 million.

6. Domanial rents for property within the precincts of the port: 620,000.

7. State's share of the profits of the Lighterage Authority: for the record.

8. Sale of scrap port equipment: for the record.

9. Toll charges for use of regular railways: 300,000.

10. Receipts from operation of port equipment and machinery: 800,000.

11. Miscellaneous and incidental receipts: for the record.

12. Miscellaneous assistance funds: for the record.

13. Subsidy from general budget to cover operating deficit: for the record.

14. Transfer of funds appropriated for wages and salaries: 20,000.

15. Transfer of funds appropriated for budget outlays: for the record.

Total operating receipts: 37.350 million.

Part 2. Investment Receipts

1. Assistance funds from Part 1 of the annexed budget allotted to investments: 7.7 million.

2. Assistance funds from Part 2 of the general budget: for the record.

3. Miscellaneous assistance funds: for the record.

4. Transfer of funds after close of fiscal year: for the record.

Total investment receipts: 7.7 million.

Total operating receipts of the annexed budget of the Port of Casablanca: 45.050 million.

Annexed Budget of the Other Ports

Part 1. Operating receipts

1. Port taxes: 2.8 million.

2. Piloting and towing: 80,000.

3. Toll charge for cruise ships and passenger ships: 32,700.

4. Toll charges for ships loading and unloading cargo: 7.5 million.

5. Taxes on the unloading of bulk liquid fuels: 780,000.

6. Domianial rents for property within the precincts of the ports: 720,000.

7. State's share of the profits of the port management companies: for the record.

8. Sale of scrap port equipment: 55,000.

9. Toll charges for use of regular railways: 100,000.

10. Receipts from operation of port equipment and machinery: 1.5 million.

11. Miscellaneous and incidental receipts: 480,000.

12. Miscellaneous assistance funds: for the record.

13. Subsidies from general budget to cover operating deficit: 7.970 million.

14. Transfer of funds appropriated for wages and salaries: 36,300.

15. Transfer of funds appropriated for budget outlays: [no figure given].

16. Toll charges for fish unloaded: for the record.

Total operating receipts: 90.054 million.

Part 2. Investment Receipts

1. Assistance funds from Part 1 of annexed budget allotted to investments: for the record.

2. Assistance funds from Part 2 of the general budget: 186.1 million.

3. Miscellaneous assistance funds: for the record.

4. Transfer of funds after close of fiscal year: for the record.

5. Carryover of funds available in preceding year's budget: for the record.

Total receipts of annexed budget of other ports: 276.154 million.

Annexed Budget of Minister of State in Charge of Posts and Telecommunications

Part 1. Operating Receipts

1. Postal receipts: 83.125 million.

Reimbursement for value of postage of franked mail: 12 million; subsidy from general budget in compensation for postal reductions granted the press: 875,000.

2. Receipts of financial services: 15.85 million; interest from money made available to Treasury: 12 million.

Remuneration for work done in behalf of the Moroccan Treasury: 520,000.

Remuneration for work done in behalf of the French Treasury: for the record.

Remuneration for work done in behalf of Moroccan Radio and Television: 1.6 billion.

3. Reimbursement for National Savings Bank's operating costs: 4.7 million.

4. Telegraphy and radiotelegraphy receipts: 6 million; Telex receipts: subsidy from general budget as compensation for rate reductions allowed the press: for the record.

5. Telephone receipts: 455.53 million; subsidy from general budget as compensation for rate reductions allowed the press: for the record.

6. Miscellaneous and incidental receipts: 1 million; sale of scrap equipment, waste, and unclaimed parcels: 150,000; rental from employee housing: 250,000; proceeds from sale of advertising in telephone directory: for the record; miscellaneous receipts of postal museum: for the record.

7. Miscellaneous assistance funds: for the record.
8. Transfer of funds appropriated for wages and salaries: for the record.
9. Transfer of funds appropriated for budget outlays: for the record.
10. Subsidy from the general budget to cover operating deficit: for the record.

Total operating receipts: 640 million.

Part 2. Investment Receipts

1. Assistance funds from Part 1 of the annexed budget allotted to capital investments: 126.7 million.
2. Assistance funds from Part 2 of the general budget: for the record.
3. Miscellaneous assistance funds: for the record.
4. Transfer of funds after close of fiscal year: for the record.
5. Carryover of available funds in preceding year's budget: for the record.

Total of investment receipts: 126.7 million.

Total receipts of annexed budget of the Ministry of State in Charge of Posts and Telecommunications: 766.7 million.

Annexed Budget of Moroccan Radio and Television

Part 1. Operating Expenses

1. Radio license fees: for the record.
2. License fees for entitlement to use television sets: 30 million.
3. Receipts from variety and dramatic programs: for the record.
4. Proceeds from sale of the RTM REVIEW and advertising therein: for the record.
5. Miscellaneous and incidental receipts: 1 million
6. Proceeds from sale of discarded equipment: for the record; rental from employee housing: for the record; receipts for advertising over Radio-Tangier: for the record.
7. Surplus receipts of Independent Advertising Service: 17.7 million.
8. Miscellaneous assistance funds: for the record.
9. Transfer of funds appropriated for wages and salaries: for the record.

10. Transfer of funds appropriated for budget outlays: for the record
11. Subsidy from the general budget to cover operating deficit: 48.215 million.

Total operating receipts: 96.915 million.

Part 2. Investment Receipts

1. Assistance funds from the annexed budget allotted to investments: for the record.
2. Assistance funds from Part 2 of the general budget: 31.421 million.
3. Miscellaneous assistance funds: for the record.
4. Transfers of funds after close of fiscal year: for the record.
5. Carryover of available funds in preceding year's budget: for the record.

Total investment receipts: 31.421 million.

Total receipts of annexed budget of Moroccan Radio and Television: 128.336 million.

Grand total of receipts of all annexed budgets: 1.220 billion.

3. Special Treasury Accounts

A. Special Purpose Accounts

35-05 Special confiscations fund: 200,000.

35-06 Domaniel reinvestment fund: 190 million.

35-07 Special pari-mutuel tax fund: 27 million.

35-08 Special entertainment tax fund: 4 million.

[No 35-09]

35-10 Special fund for lottery proceeds: 2 million.

35-11 Common fund for tobacco shops: 10 million.

35-13 Special central pharmacy fund: 120 million.

35-14 Vegetable fiber development fund: 200,000.

35-15 Fund for tax for repair of forest roads: 2.245 million.

35-16 Forestry fund: 6.418 million.

[No 35-17]

35-18 Special fund for overseeing and controlling underwriters and insurance companies: 700,000.

[No 35-19]

35-20 Fund for tax on goods and services for the benefit of local governments: 40 million.

35-21 Fund for augmenting life annuities paid by insurance companies: 10,000.

35-25 Special fund for taxes on sports betting: 200,000.

35-26 Fund for aid to private individuals for installation of telegraph and telephone lines: 4 million.

35-27 Financial services fund: 20 million.

35-29 Special fund for the reconstruction of Agadir: 4 million.

35-32 Agrarian reform fund: 20 million.

35-33 Special seaside resorts improvement fund: 1 million.

35-34 Fund representing the exchange value of goods furnished by the governments of friendly countries and international organizations: for the record.

35-35 National fund for purchase and improvement of unimproved land: 400 million.

35-36 Special Moroccanization fund: 2.61 million.

35-37 Special hotel industry promotion fund: 1.303 million.

35-38 Profits and losses from conversion of government outlays into foreign currencies: 5 million.

35-39 Special fund of foreign social security authorities for medical services rendered to migrant workers and their families: for the record.

35-40 Special fund for financing loans for the construction and acquisition of low-cost housing: for the record.

35-41 Special fund for financing loans granted under programs for reconstruction of districts with substandard housing: 10 million.

35-42 Special fund for financing small-scale industry: 85 million.

35-43 Special fund for financing market-gardening improvement and development programs: 8.4 millions.

35-44 Special Zakat fund: for the record.

35-45 Special fund for preservation of the old city of Fez: 200 million.

Total resources of special purpose accounts: 1.164 billion.

B. Banking and Commercial Operations Accounts

31-02 Liquidation of Tetouan general credit bank: 514,000.

31-04 Special operations of the National Defense Administration: 7 million.

31-05 Special operations relative to supplying ships and food to FAR units stationed in the Saharan provinces: 20 million.

Total resources of banking and commercial operations accounts: 27.514 million.

C. Accounts for Membership in International Organizations

32-00 Transactions with International Development Association: for the record.

32-01 Transactions with the International Monetary Fund: for the record.

32-02 Transaction with the International Bank for Reconstruction and Development: for the record.

32-03 Transactions with the International Finance Corporation: for the record.

32-04 Transactions with the African Development Bank: for the record.

32-05 Transactions with the Arab Economic and Social Development Fund: for the record.

32-06 Transactions with the Investment Guaranty Fund: for the record.

32-07 Transactions with the Arab-African Technical Cooperation Fund: for the record.

32-08 Islamic Development Bank: for the record.

32-09 Arab Bank for African Economic Development: for the record.

32-10 Transactions with the Arab Investment Corporation: for the record.

32-11 Arab Monetary Fund: for the record.

32-12 Arab Investment and Agricultural Development Organization: for the record.

32-13 African Reinsurance Corporation: for the record.

32-14 Transactions with the International Fund for Agricultural Development: for the record.

Total resources of the account for membership in international organizations: for the record.

D. Monetary Operations Accounts

33-00 Bonds deposited with the Bank of Morocco as security for coins in circulation: for the record.

33-01 Transactions covering the withdrawal of the peseta from circulation: for the record.

33-02 Exchange difference on purchases and sales of foreign currencies: for the record.

33-03 Withdrawal of the Mauritanian ouguiya from circulation in the province of Oued Ed Dahab: for the record.

Total resources of monetary operations account: for the record.

E. Investment Accounts

40-00 State's holdings in various companies: 800 million.

30-00 Financing of equipment expenditures and program to combat unemployment: 150 million.

Total resources of investment accounts: 950 million.

F. Loan Accounts

Loans to Foreign Countries and International Organizations

40-01 Subscription to United Nations' loan: 50,400.

44-10 Loans to foreign countries: 19.6 million,

44-19 Loans to UNESCO: 4.42 million.

Loans to Public Credit Agencies

44-02 Loans to the Construction and Hotel Credit Organization: 2.220 million.

44-03 Loans to the National Economic Development Bank: 1.863 million.

44-23 Loans to the People's Central Bank for Rabat urban development program: for the record.

44-25 National Agricultural Credit Bank: for the record.

Loans to Organizations, Companies, and Cooperatives

44-05 Loans to Moroccan Phosphates Office: for the record.

44-06 Loans to farm cooperatives: 985,000.

44-07 Loans to National Electricity Office: 675,000.

44-13 Loans to the Moroccan dairy cooperative of Casablanca and Chouala (Superlait): 100,000.

44-27 Loans to the National Drinking Water Office: for the record.

44-31 Loans to Regional Development and Construction Companies (ERAC): 25.888 million.

44-32 Loans to the Marketing and Export Office: for the record.

Loans to Miscellaneous Activities

44-08 Loans to the National Sugarcane Refinery: 6 million.

44-09 Loans to the Moroccan Phosphorous Company: 10.555 million.

44-11 Loans to the National Sugar Refinery of Gharb: 4 million.

44-12 Loans to the National Bay of Tangier Development Corporation: 640,000.

44-14 Loans to the Cement Plant for Eastern Morocco: for the record.

44-15 Loans to SONABA: 1 million

44-16 Loans to SNDE (National Water Supply Company): for the record.

44-17 Loans to COMAGRI (Maghrebien Agricultural and Industrial Materials Company): 735,440.

44-18 Loans to SUNABEL: for the record.

44-20 Loans to regional Agricultural Development Offices and work centers: 1.452.

44-21 Loans to CTM-LN (Moroccan Transportation Company-"National Lines"2): for the record.

44-22 Loans to RAM (expansion unknown): 2.5 million.

44-26 Loans to the National League for Prevention of Cardiovascular Diseases: for the record.

Loans to Local Governments

44-24 Loans to local governments and to the urban commune of Casablanca: for the record.

44-28 Loans to the Autonomous Intercommunal Water and Electric-Power Supply Administration of Casablanca: for the record.

44-29 Loans to the Autonomous Intercommunal Water and Electric-Power Supply Administration of Rabat and Sale: for the record.

44-30 Loans to the Autonomous Intercommunal Water and Electric-Power Supply Administration of Kenitra: for the record.

44-33 Loans to public enterprises and corporations whose capital is partly or wholly owned by the state: for the record.

Total resources of loan accounts: [no figure given].

G. Accounts for Advances

Advances to Local Governments

41-00 Advances to municipalities: 600,000.

41-01 Advances to local governments and to the urban commune of Casablanca: 25 million.

Advances to Public Credit Agencies.

42-00 Advances to the Construction and Hotel Credit Organization: 25 million.

42-01 Advances to the National Agricultural Credit Bank: for the record.

42-03 Advances to the People's Central Bank: for the record.

42-04 Advances to the National Economic Development Bank: for the record.

Advances to Public Agencies

42-05 Advances to Regional Development and Construction Companies (ERAC): for the record.

43-04 Advances to Moroccan National Tourist Office: for the record.

43-08 Advances to the Mineral Prospecting and Investment Office: 156,700.

43-09 Advances to the Industrial Development Office: for the record.

43-10 Advances to National Interprofessional Office for Cereals and Leguminous Plants, and to farm cooperatives: 17.712 million.

43-21 Advances to National Electricity Office: for the record.

43-23 Advances to Royal Air Maroc airline: for the record.

Advances to Miscellaneous Activities

45-00 Advances to "Interoccupational Housing Committee" associations: for the record.

- 45-01 Advances to the former Veterans and War Victims Office: for the record.
- 45-06 Advances to Moroccan Chemical Company: 4,454 million.
- 45-07 Advances to the Strait [of Gibraltar] Shipping Lines: 197,800.
- 45-10 Advances to the Tadia Sugar Refinery: 894,000.
- 45-11 Advances to the Military Housing Office: for the record.
- 45-12 Advances to the Aouli Mining Company: for the record.
- 45-13 Advances to the Marphocean Company: for the record.
- 45-16 Advances to the Rif Mining Company: for the record.
- 45-17 Advances to the Ranch Adarouek Company: for the record.
- 45-18 Advances to the Cement Plant of Eastern Morocco: for the record.
- 45-19 Advances to the Meknes Dairy Cooperative (SOCALAIT): for the record.
- 45-20 Advances to the Casablanca Airport Authority: 2 million.
- 45-21 Advances to public enterprises and corporations whose capital is partly or wholly owned by the state: for the record.

Total resources of accounts for advances: 50.975 million.

H. Accounts for Expenditures on Grants

- 36-00 Forestry fund: for the record.
- 36-01 Soil conservation and restoration: for the record.
- 36-02 Fertilizer program fund: 3 million.
- 36-03 Procurement and repair of materiel for the Royal Armed Forces: 1 billion.
- 36-04 Operating expenses of the Moroccan expeditionary corps for the defense of the Arab nation: for the record.
- 36-05 Special regional development fund: 600 million.
- 36-06 Public relations fund: for the record.
- 36-07 Fund of the general directorate for research and documentation: for the record.
- 36-08 Special expenses for the development of the Saharan provinces: 400 million.

36-09 Development fund for local governments and their groupings: 600 million.

36-10 Fund for interest rebates granted Moroccans working in foreign countries: 40 million.

Total resources of accounts for expenditures on grants: 2.645 billion.

Grand total of resources of special treasury accounts: 4.92 billion.

Table B (Article 13)

Following is the breakdown, by ministry and chapter, of credits established for the general state budget's operating expenses for 1981 (amounts shown are in dirhams).

Section 1

Civil List and Sovereignty Expenses

Chapter 1. His Majesty the King: 43.640 million.

Chapter 2. Civil list of members of the royal family: 1.2 million.

Chapter 3. Sovereignty grant: 40.06 million.

Total of Section 1: 84.9 million.

Section 2. Services and Activities Directly Responsible to His Majesty the King

Chapter 4. Services of the Royal Palace (personnel): 79.003 million.

Chapter 5. Services of the Royal Palace (equipment and miscellaneous expenses): 148.029 million.

Chapter 6. Minister and king's personal representative (personnel): 638,012.

Chapter 7. Minister and king's personal representative (equipment and miscellaneous expenditures): 350,000.

Chapter 8. Office of the Royal Household, protocol and chancellery (personnel): 2.953 million.

Chapter 9. Office of the Royal Household, protocol, and chancellery (equipment and miscellaneous expenses): 1.411 million.

Chapter 10. Royal Guard (personnel): 23.348 million.

Chapter 11. Royal Guard (equipment and miscellaneous expenses): 8.12 million.

Total of Section 2: 265.857 million.

Section 3. Chamber of Representatives

Chapter 12. Chamber of Representatives (personnel): 39.157 million.

Chapter 13. Chamber of Representatives (equipment and miscellaneous expenses): 4.388 million.

Total of Section 3: 43.545 million

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Section 4. Prime Minister

Chapter 14. Prime Minister: minister delegate to the prime minister (personnel): 7.988 million.

Chapter 15. Prime Minister: minister delegate to the prime minister (equipment and miscellaneous expenses): 7.883 million.

Chapter 16. Prime Minister: Audit Office (personnel): 3.3665 million.

[No Chapter 17]

Chapter 18. Prime Minister: Special fund for action in behalf of Moroccan colony abroad: 10 million.

Chapter 19. Prime Minister: Secretariat of State to the Prime Minister in Charge of Saharan Affairs (personnel): 1.348 million.

Chapter 20. Prime Minister: Secretariat of State to the Prime Minister in Charge of Saharan Affairs (equipment and miscellaneous expenses): 221,000.

Chapter 21. Secretariat of State to the Prime Minister in Charge of Planning and Regional Development (personnel): 25.185 million.

Chapter 22. Secretariat of State to the Prime Minister in Charge of Planning and Regional Development (equipment and miscellaneous expenses): 9.483 million.

Total of Section 4: 67.088 million.

Section 5. Ministry of State in Charge of Foreign Affairs and Cooperation.

Chapter 23. Ministry of State in Charge of Foreign Affairs and Cooperation (personnel): 124.262 million.

Chapter 24. Ministry of State in Charge of Foreign Affairs and Cooperation (equipment and miscellaneous expenses): 119.1 million.

Total of Section 5: 243.362 million.

Section 6. Ministry of State in Charge of Cultural Affairs

Chapter 25. Ministry of State in Charge of Cultural Affairs (personnel): 18.224 million.

Chapter 26. Ministry of State in Charge of Cultural Affairs (equipment and miscellaneous expenses): 13.827 million.

Total of Section 6: 32.052 million

Section 7. Ministry of State in Charge of Tourism

Chapter 27. Ministry of State in Charge of Tourism (personnel): 11.263 million.

Chapter 28. Ministry of State in Charge of Tourism (equipment and miscellaneous expenses): 30.41 million.

Total of Section 7: 41.673 million

Section 8. Ministry of Interior

Chapter 29. Ministry of Interior (personnel): 209.477 million

Chapter 30. Ministry of Interior (equipment and miscellaneous expenses): 428.96 million.

Chapter 31. Ministry of Interior: Auxiliary Forces (personnel): 566.101 million.

Chapter 32. Ministry of Interior: Auxiliary Forces (equipment and miscellaneous expenses): 64.78 million.

Chapter 33. Ministry of Interior: General Surete Nationale [National Police] Directorate (personnel): 374.815 million.

Chapter 34. Ministry of Interior: General Surete Nationale Directorate (equipment and miscellaneous expenses): 80.3 million.

Chapter 35. Ministry of Interior: Directorate of Territorial Surveillance (personnel): 25.65 million.

Chapter 36. Ministry of Interior: Directorate of Territorial Surveillance (equipment and miscellaneous expenses): 15.688 million.

Total of Section 8: 1.765 billion.

Section 9. Ministry of Information

Chapter 37. Ministry of Information (personnel): 8.594 million.

Chapter 37. Ministry of Information (equipment and miscellaneous expenses): 20.55 million.

Total of Section 9: 29.145 million.

Section 10. Ministry of Justice

Chapter 39. Ministry of Justice (personnel): 232.444 million.

Chapter 40. Ministry of Justice (equipment and miscellaneous expenses): 42.839 million

Total of Section 10: 275.283 million.

Section 11. Ministry of Equipment and National Development

Chapter 41. Ministry of Equipment and National Development (personnel): 148.566 million.

Chapter 42. Ministry of Equipment and National Development (equipment and miscellaneous expenses): 31.533 million.

Total of Section: 180.1 million.

Section 12. Ministry of Finance

Chapter 43. Ministry of Finance (personnel): 323.409 million.

Chapter 44. Ministry of Finance (equipment and miscellaneous expenses): 29.722 million.

Chapter 45. Ministry of Finance: common charges, life annuity debt, and special allowances: 416.628 million.

Chapter 46. Minister of Finance: common charges, subsidies, special rebates, abatements, refunds, reimbursements, and write-offs: 1.903 billion.

Total of Section 12: 2.582 billion.

Section 13. Ministry of Agriculture and Agrarian Reform

Chapter 47. Ministry of Agriculture and Agrarian Reform (personnel): 258.698 million.

Chapter 48. Ministry of Agriculture and Agrarian Reform (equipment and miscellaneous expenses): 421.586 million.

Total of Section 13: 680.284 million.

Section 14. Ministry of Religious Endowment and Islamic Affairs

Chapter 49. Ministry of Religious Endowment and Islamic Affairs (personnel): 4.161 million.

Chapter 50. Ministry of Religious Endowment and Islamic Affairs (equipment and miscellaneous expenses): 4.776 million.

Total of Section 14: 6.937 million.

Section 15. Ministry of Labor and Vocational Training

Chapter 51. Ministry of Labor and Vocational Training (personnel): 16.646 million.

Chapter 52. Ministry of Labor and Vocational Training [equipment and miscellaneous expenses): 11.488 million.

Total of Section 15: 28.134 million.

Section 16. Ministry of Administrative Affairs

Chapter 53. Ministry of Administrative Affairs (personnel): 6.976 million.

Chapter 54. Ministry of Administrative Affairs (equipment and miscellaneous expenses): 6.391 million

Total of Section 16: 13.368 million.

Section 17. Ministry in Charge of Relations with Parliament

Chapter 55. Ministry in Charge of Relations with Parliament (personnel): 796,425.

Chapter 56. Ministry in Charge of Relations with Parliament (equipment and miscellaneous expenses): 266,500 million.

Total of Chapter 17: 1.062 million.

Section 18. Ministry of National Education and Cadre Training

Chapter 57. Ministry of National Education and Cadre Training: higher education and scientific research (personnel): 304.33 million.

Chapter 58. Ministry of National Education and Cadre Training: higher education and scientific research (equipment and miscellaneous expenses): 451.719 million.

Chapter 59. Ministry of National Education and Cadre Training: secondary education (personnel): 1.692 billion.

Chapter 60. Ministry of National Education and Cadre Training: secondary education (equipment and miscellaneous expenses): 113.409 million.

Chapter 61. Ministry of National Education and Cadre Training: elementary education (personnel): 1.367 billion.

Chapter 62. Ministry of National Education and Cadre Training: elementary education (equipment and miscellaneous expenses): 44.947 million.

Chapter 63. Ministry of National Education and Cadre Training: cadre training (personnel): 853,103 million.

Chapter 64. Ministry of National Education and Cadre Training: cadre training (equipment and miscellaneous expenses): 934,800.

Total of Section 18: 3.975 billion.

Section 19. Ministry of Youth and Sports

Chapter 65. Ministry of Youth and Sports (personnel): 63.076 million.

Chapter 66. Ministry of Youth and Sports (equipment and miscellaneous expenses): 32.99 million.

Total of Section 19: 96.067 million.

Section 20. Ministry of Housing and Territorial Management.

Chapter 67. Ministry of Housing and Territorial Management (personnel): 28.303 million.

Chapter 68. Ministry of Housing and Territorial Management (equipment and miscellaneous expenses): 9.756 million.

Total of Section 20: 38.06 million.

Section 21. Ministry of Social Affairs and Handicrafts

Chapter 69. Ministry of Social Affairs and Handicrafts (personnel): 13.138 million.

Chapter 70. Ministry of Social Affairs and Handicrafts (equipment and miscellaneous expenses): 9.536 million.

Total of Section 21: 22.675 million.

Section 22. Ministry of Transportation

Chapter 71. Ministry of Transportation (personnel): 62.3 million.

Chapter 72. Ministry of Transportation (equipment and miscellaneous expenses): 21.631 million.

Total of Section 22: 83.931 million.

Section 23. Ministry of Commerce and Industry

Chapter 73. Ministry of Commerce and Industry (personnel): 24.971 million.

Chapter 74. Ministry of Commerce and Industry (equipment and miscellaneous expenses): 27.159 million.

Total of Section 23: 52.130 million.

Section 24. Ministry of Public Health

Chapter 75. Ministry of Public Health (personnel): 475.080 million.

Chapter 76. Ministry of Public Health (equipment and miscellaneous expenses): 226.101 million.

Total of Section 24: 701.181 million.

Section 25. Ministry of Energy and Mines

Chapter 77. Ministry of Energy and Mines (personnel): 24.267 million.

Chapter 78. Ministry of Energy and Mines (equipment and miscellaneous expenses): 9.656 million.

Total of Section 25: 33.923 million.

Section 26. Secretariat General of the Government

Chapter 79. Secretariat General of the Government (personnel): 7.115 million.

Chapter 80. Secretariat General of the Government (equipment and miscellaneous expenses): 821,400.

Chapter 81. Secretariat General of the Government: recruitment, repatriation and leave costs): 1 million.

Total of Section 26: 8.937 million.

Section 27. National Defense Administration

Chapter 82. National Defense Administration (personnel) 1.941 billion

Chapter 83. National Defense Administration (equipment and miscellaneous expenses): 849.917 million.

Chapter 84. National Defense Administration: Royal Gendarmerie (personnel): 154.418 million.

Chapter 85. National Defense Administration: Royal Gendarmerie (equipment and miscellaneous expenses): 68.179 million.

Total of Section 27: 3.013 billion.

Section 28. Office of the High Commissioner for Former Members of the Resistance and Army of Liberation.

Chapter 86. Office of the High Commissioner for Former Members of the Resistance and Army of Liberation (personnel): 6.747 million.

Chapter 87. Office of the High Commissioner for Former Members of the Resistance and Army of Liberation (equipment and miscellaneous expenses): 2.248 million.

Total of Section 28: 8.995 million.

Section 29. Miscellaneous Expenditures

Chapter 88. Unforeseen requirements and provisional allowances: 978 million.

Total of Section 29: 978 million.

Grand total of general state budget's operating expenses: 15.356 billion.

Table C (Article 15)

Following is a breakdown, by chapter, of credits established for investment expenditures in the general state budget for 1981 (amounts shown are in dirhams).

Outlays are for 1981 and obligational authority is for 1982 and subsequent years.

Chapter 1. Royal Court and attached services: 1981 outlays: 98 million, total 98 million.

Chapter 2. Prime Minister: 1981 outlays: 200 million; total 200 million.

Chapter 3. Prime Minister: Secretariat of State for Planning and Regional Development: 1981 outlays: 20.243 million; 1982 obligational authority: 54.1 million; total: 74.343 million.

Chapter 4. Ministry of Administrative Affairs: none.

Chapter 5. General Secretariat of the Government: none.

Chapter 6. Ministry of Information: 1981 outlays: 243.221 million; 1982 obligational authority: 92 million; total: 335.221 million.

Chapter 7. Ministry of Justice: 1981 outlays: 43.34 million; 1982 obligational authority: 13.15 million; total: 56.49 million.

Chapter 8. Ministry of State in Charge of Foreign Affairs and Cooperation: 1981 outlays: 10 million; total: 10 million.

Chapter 9. Ministry of Interior: 1981 outlays: 81.194 million; 1982 obligational authority: 37.41 million; total: 118.604 million.

Chapter 10. Minister of Housing and Territorial Management: 1981 outlays: 205.427 million; 1982 obligational authority: 199 million; total 404.427 million.

Chapter 11. Minister of State in Charge of Tourism: 1981 outlays: 15.2 million; 1982 obligational authority: 24.803 million; total: 40.003 million.

- Chapter 12. Minister of Finance: 1981 outlays: 1.367 billion; 1982 obligational authority: 2.825 billion; total: 4.192 billion.
- Chapter 13. Minister of Commerce and Industry: 1981 outlays: 80.555 million; 1982 obligational authority: 69 million; total: 149.555 million.
- Chapter 14. Minister of Energy and Mines: 1981 outlays: 373.1 million; 1982 obligational authority: 50.2 million; total 423.3 million.
- Chapter 15. Minister of Agriculture and Agrarian Reform: 1981 outlays: 1.503 billion; 1982 obligational authority: 1.473 billion; total: 2.976 billion.
- Chapter 16. Minister of Equipment and National Development: 1981 outlays: 2.505 billion; 1982 obligational authority 3.8 billion; total: 6.305 billion.
- Chapter 17. Ministry of Transportation: 1981 outlays: 500.002 million; 1982 obligational authority: 298.97 million; total: 798.972 million.
- Chapter 18. Ministry of State in Charge of Posts and Telecommunications: 1982 obligational authority: 72 million; total 72 million.
- Chapter 19. Ministry of National Education and Cadre Training: 1981 outlays: 842.67 million; 1982 obligational authority: 1.323 billion; total: 2.165 billion.
- Chapter 20. Minister of Labor and Vocational Training: 1981 outlays: 78.54 million; 1982 obligational authority: 20 million; total: 98.54 million.
- Chapter 21. Minister of Youth and Sports: 1981 outlays: 30.525 million; 1982 obligational authority: 1.5 million; total: 32.025 million.
- Chapter 22. Ministry of Social Affairs and Handicrafts: 1981 outlays: 4.314 million; 1982 obligational authority: 14.5 million; total: 18.814 million.
- Chapter 23. Ministry of Public Health: 1981 outlays: 237.71 million; 1982 obligational authority: 353.05 million; total: 590.76 million.
- Chapter 24. Ministry of Religious Endowments and Islamic Affairs: 1981 outlays: 6.5 million; 1982 outlays [no figure given]; total 6.5 million
- Chapter 25. Minister of State in Charge of Cultural Affairs: 1981 outlays: 1.3 million; 1982 obligational authority 1 million; 2.3 million.
- Chapter 26. National Defense Information; 1981 outlays: 1.548 billion; 1982 obligational authority: 3.281 billion; total: 4.829 billion.
- Chapter 27. Office of the High Commissioner for Former Members of the Resistance and Army of Liberation: 1981 outlays; 1.5 million; total: 1.5 million.
- Chapter 28. Chamber of Representatives: none.

Grand total of investment expenditures in general state budget: 1981 outlays: 9.996 billion; 1982 obligational authority: 14.003 billion; total 24 billion.

Table D (Article 16)

Following is a breakdown of outlays cancelled in the investment budget for 1980 and previous years (amounts are shown in dirhams).

Chapter 3. Secretariat of State for Planning and Regional Development: 10 million.

Chapter 11. Minister of State in Charge of Tourism: 1 million.

Chapter 15. Minister of Agriculture and Agrarian Reform: 4.1 million.

Chapter 20. Minister of Labor and Vocational Training: 10.284 million.

Chapter 2e. Minister of Public Health: 15 million.

Total 40.384 million.

Table E (Article 17)

The following is a breakdown, by chapter, of credits established for the operating expenditures of the annexed budgets for 1981 (amounts are dirhams).

Annexed Budget of Official Printing Office

Chapter 1. Personnel: 2.504 million.

Chapter 2. Equipment and miscellaneous expenses: 1.24 million.

Chapter 3. Financing charges: 297.128.

Chapter 4. Unforeseen requirements and provisional allowance: 207.128.

Chapter 5. Assistance funds for investment expenses in Part 2 of annexed budget and transfer of surplus receipts to the general state budget: for the record.

Total operating expenses of the annexed budget of the Official Printing Office: 4.249 million.

Annexed Budget of the Port of Casablanca

Chapter 1. Personnel: 9.709 million.

Chapter 2. Equipment and miscellaneous expenses: 3.205 million.

Chapter 3. Financing charges: 11.059 million.

Chapter 4. Unforeseen requirements and provisional allowances: 706,500.

Chapter 5. Assistance funds for investment expenses in Part 2 of annexed budget and transfer of surplus receipts to the general state budget: 12.668 million.

Total operating expenses of the annexed Port of Casablanca budget: 37.35 million.

Annexed Budget for Other Ports

Chapter 1. Personnel: 11.567 million

Chapter 2. Equipment and miscellaneous expenses: 4.658 million.

Chapter 3. Financing charges: 72.586 million.

Chapter 4. Unexpected requirements and provisional allocation: 1.251 million.

Chapter 5. Assistance funds for investment expenses in Part 2 of annexed budget and transfer of surplus receipts to general state budget: for the record.

Total operating expenses of annexed budget of other ports: 90.054 million.

Annexed Budget of Ministry of State in Charge of Posts and Telecommunications

Chapter 1. Personnel: 230.153 million.

Chapter 2. Equipment and miscellaneous expenses: 74 million.

Chapter 3. Financing charges: 17.481 million.

Chapter 4. Unforeseen requirements and provisional allowance: 13.740 million.

Chapter 5. Assistance funds for investment expenses in Part 2 of annexed budget and transfer of surplus receipts to the general state budget: 304.625 million.

Total operating expenses of annexed budget of the Ministry of State in Charge of Posts and Telecommunications: 640 million.

Annexed Budget of Moroccan Radio and Television

Chapter 1. Personnel: 34.777 million

Chapter 2. Equipment and miscellaneous expenses: 93.376 million.

Chapter 3. Financing charges: 21.11 million.

Chapter 4. Unforeseen requirements and provisional allowance: 1.65 million.

Chapter 5. Assistance funds for investment expenditures in Part 2 of annexed budget and transfer of surplus receipts to the general state budget: for the record.

Total operating expenses of annexed budget of Moroccan Radio and Television: 96.915 million [as published]

Grand total of operating expenses of all annexed budgets: 868.569 million.

Table G (Article 20)

Following is the breakdown, by chapter, of credits established for investment expenditures in the annexed budgets for 1981.

Annexed Official Printing Office Budget [no data given]

Annexed Port of Casablanca Budget: 1981 outlays: 7.7 million; obligational authority for 1982 and beyond: 10.4 million; total: 369.850 million [as published].

Annexed Budget of Ministry of State in Charge of Posts and Telecommunications: 1981 outlays: 126.7 million; obligational authority for 1982 and beyond: 71 million; total: 197.7 million.

Annexed Moroccan Radio and Television Budget: 1981 outlays: 31.421 million; total: 31.421 million.

Total investment expenditures of all annexed budgets: 1981 outlays: 351.921 million; obligational authority for 1982 and beyond: 257.45 million; total 609.371 million. [as published; investment budget for "other ports" not included in above breakdown.]

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CSO: 4400

MOROCCAN BALANCE OF TRADE ANALYZED

Rabat AL-ANBA' in Arabic 11 Nov 80 p 5

[Article: "Our Trade Exchange Under the Microscope: Our Trade Balance Improves Continuously due to the Development of Our Exports Which Increased by +46 percent. A Moderate Increase In Our Imports of +24.5 percent; due to an increase in Energy Products by 105.2 percent, and in Food Products by 26.8 percent"]

[Text] The Moroccan trade balance has greatly improved during the first half of this year compared to the same period last year. The rate of coverage increased significantly from 50.8 percent to 58.7 percent as a result of the great development of our exports (more than 46 percent) and the relative rise in imports (more than 24.5 percent). Hence, our exports in the value in account totaled +5,028 M DH (million dirham) compared to 3,445 M DH.

The possible reasons behind such development are:

Increase of phosphates revenues from 860.8 M DH to more than 1,464 M DH during the first half of 1979, (the increase is more than 70 percent).

Increase of citrus sales by more than 46 percent after a good season, (it increased from 710 M DH to 486 M DH).

Growth of fish exports which totaled 155.7 M DH compared to 106.6 M DH during the same period last year.

The sales of olive oil both crude and purified improved. It increased from .5 M DH to 6 M DH.

There are other products which contributed toward the development of Moroccan trade such as phosphoric acid (more than 134.3 percent), ready made clothes (more than 42.7 percent) paper paste (more than 69.6 percent), fresh fish (more than 59 percent), bituminous coal (more than 192 percent), fertilizers (more than 31.8 percent), lead (more than 19 percent), cobalt (more than 34.6 percent), raw silver (more than 34.2 percent).

It has also been noticed that the value of our imports increased by 24.5 percent (value account) and increased by .2 percent (quantity account). The imports value rose to 8,570 M DH against 6,885 M DH. The rise in imports value is attributed to energy, foods, raw materials of mineral origin.

The value of petroleum imports rose to 2,083 M DH against 976.7 M DH, an increase of 113 percent as a result of the large increase in energy prices.

It also has been noticed that the import of grain, sugar, and sulfur increased. The sugar imports totaled 319 M DH against 216.6 M DH.

The grains imports reached 646.4 M DH against 453.5 M DH.

The sulfur imports increased from 78.0 M DH to 191.7 M DH.

Moroccan Exports

During the first half of this year, the Moroccan exports reached 5,027.5 M DH against 3,598.4 M DH. The increase is estimated at 1,429.1 M DH. The increase of the Moroccan exports has been achieved in the following sectors:

- The metal products: 1,857 M DH against 1,342 M DH, and increase of 515 M DH.
- The semi-finished goods: 693.9 M DH against 373.9 M DH, an increase of 320.1 M DH.
- Food products: 1,453.9 M DH against 1,225.8 M DH, an increase of 228.1 M DH.
- Consumption goods: 576.6 M DH against 454.6 M DH, an increase of 122 M DH.

Furthermore, it has been noted that the Moroccan exports except phosphates and its derivatives rose to 3,095.9 M DH against 2,360 M DH, and increase of 31.20 percent. The phosphates and its derivatives represent 38.4 percent of the total exports.

The exports of farm products decreased significantly. The exports in this sector totaled 266.3 M DH against 290.7 M DH during the same period of last year. The decrease is less than 8.4 percent.

- Fresh tomatoes: 163 M DH as against 194.2 M DH
- Sweet potatoes: 95.1 M DH as against 49.8 M DH.
- Fresh vegetables: 44.2 M DH as against 46.7 M DH.

On the contrary, the citrus exports witnessed a great growth which is estimated at 710.3 M DH for 506,500 tons against 485.6 M DH for 343,100 tons. The exports of phosphates and its derivatives reached 1,931.6 M DH against 1,238.4 M DH with an increase of 5.6 percent. In turn, this increase affects the shipments of phosphate and the phosphoric acids. The increase in the exports of these commodities is as follows:

- Phosphates: 1,463.9 M DH against 1,014.6 M DH, an increase of more than 44.3 percent, (8,104.2 thousand tons against 7,190 thousand tons; the increase is 127 percent).
- The phosphoric acid; 394.8 M DH against 168.5 M DH, an increase of 134.3 percent (210.4 thousand tons against 143.2 thousand tons, an increase of more than 46.9 percent).

--Natural and chemical fertilizers: 72.9 M DH against 55.3 M DH the increase is 31.8 percent.

What Do We Import

The value of our imports during the 6 months of this year reached 8,569.9 M DH against 6,885.3 M DH in the same period of 1979, an increase of 1,684.6 M DH (more than 24.5 percent).

The Energy Products

The imports value of the energy products reached 2,240.7 M DH against 1,091.9 M DH, an increase of 1,148.8 M DH (more than 105.2 percent).

The imports in this sector include:

--Crude oil which increased by more than 113.3 percent.

--Gas and fuel which increased by more than 26.3 percent.

--Lubricating oils which increased by more than 63.6 percent.

The Food Products

The import value of food products reached 1,401.5 M DH against 1,105.2 M DH, an increase of 26.8 percent. Our imports in this sector are disturbing because of the huge purchases of grain, sugar, and dairy products. The imports increase in this sector is as follows:

--Grain: 646.4 M DH against 453.5 M DH.

--Sugar: 319.1 MDH compared to 212.7 M DH

--Dairy products: 107.2 M DH against 95.6 M DH.

It is also noted that our imports recorded a noticeable drop with regard to tea (29.1 percent) and tobacco (36.8 percent).

Raw Materials of Animal and Vegetable Origin

Production reached: 706.5 M DH compared to 657.2 M DH, an increase of 49.3 M DH (more than 7.5 percent)

--Lumber

--Yarn

The drop in vegetable oils production (208.2 M DH compared to 229.1 M DH) should be noted.

Raw Materials of Mineral Origin

The production in this area reached 302.1 M DH against 158 M DH, the increase is 91.2 percent includes 19.7 M DH for sulfur against 78.7 M DH. The heavy import of sulfur explains the increase of imports of minerals.

Semi-Finished Goods

The production of the semi-finished goods totaled 791.9 M DH against 1,629.8 M DH, the increase is 162.1 M DH (more than 9.9 percent).

--Chemical products.

--Plastic products.

Equipment Materials

The production in this area totaled 515.8 M DH against 1,637.2 M DH which is less by 121.4 M DH (less than 7.4 percent).

--Ships 21.1 M DH against 225.6 M DH.

--Agricultural machines: 37.7 M DH against 59.5 M DH.

--Other materials: 13.3 M DH against 108.4 M DH.

The imports of boilers has also recorded an increase from 248 M DH to 90.2 M DH. It has also been noticed that the automobiles imports increased to 131.1 M DH against 126.4 M DH, the drilling and exploration equipment 76.4 M DH against 21.9 M DH.

The General Balance of Trade (in million dirhams) Value in Million DH

| Period Sector | First half of 1979 | First half of 1980 | Development 1979-1980 |
|------------------------|-----------------------|-----------------------|--------------------------|
| Imports | 6,885 | 8,570 | +24.5 percent |
| Exports | 3,445 | 5,028 | +46 percent |
| Balance | -3,440 | -3,542 | -102 percent |
| Percent of coverage | 50.00 | 58.7 | -- -- |

The phosphates covers 38.4 percent of our exports.

The export percentage in the first half of 1980 is close to +56 percent (1,931.6 M DH against 1,238.4 M DH)

Priorities of future planning.

Mr Abdelkamel Reghai, the finance minister mentioned during his consultation with the officials of the World Bank in Washington that the Five-Year Plan 1981-1985 priorities are: agriculture, fishing, and energy.

Phosphates

Citrus

Frozen fish

and olive oil

are four factors contributed toward developing our foreign trade.

9607

CSO: 4402

MOROCCO SEIZES SOVIET, CUBAN TRAWLERS

Tunis LA PRESSE DE TUNISIE in French 7 Dec 80 p 5

[Article: "Western Sahara: Seizure of Soviet and Cuban Trawlers Suspected of Espionage"]

[Text] Rabat (AFP)--A Cuban trawler suspected of espionage and two Soviet trawlers were recently seized for inspection by the Moroccan Coast Guard near the coast of Western Sahara. They were taken to the port of Dakhala, Gen Ahmed Dlimi, commandant of the southern zone and director of the cabinet of aides-de-camps of King Hassan II, told AFP on Saturday.

A Soviet sailor on one trawler was wounded at the moment when the inspecting officers were climbing onto the deck of a second Soviet trawler, after the crew had tried to capture them by throwing a net over them.

A Moroccan sailor then fired a salvo in the air, and one of the Soviets was wounded by a bullet which ricocheted, General Dlimi explained. The wounded man was evacuated on another Soviet ship, while the ships in an illegal situation were conducted to Dakhala.

As for the Cuban trawler, which was seized for inspection elsewhere, it appears very suspicious to the Moroccan authorities. It had neither trawl nor net. General Dlimi therefore thinks that it must have been "fishing for something other than fish." It is, furthermore, equipped with extremely sophisticated transmitters, and was spotted while stopping at very precise points on the coast, according to the general.

In Moroccan military circles, we have been told, the very numerous Soviet and Cuban trawlers in the vicinity of the northwest African coast and the Canaries are suspected of being involved in electronic espionage.

These "spy ships" are believed to inform the Polisario on the movements of Moroccan troops and aviation, with the aid of big antennas installed at Tindouf.

Last July, two Cuban oil tankers which were revictualing the Cuban fishing fleet in that region were reportedly attacked by two "unidentified planes" in the vicinity of the Western Sahara coast.

According to informed sources in Rabat, there is no doubt that the two airplanes were Moroccan.

9347

CSO: 4400

SOVIET TRAWLERS SEIZED FOR FISHING IN LOCAL WATERS

Casablanca MAROC SOIR in French 15 Dec 80 p 1

[Text] Rabat, 15 December--In connection with the hauling in of two Soviet Trawlers near our Saharan coast by the Royal Navy, it has been learned from an authorized source that the boats were surprised in the act fishing in a zone clearly situated within our territorial waters. As a result, they were conducted to the port of Dakhla where they remain while awaiting the conclusion of the proceedings brought against them under existing Moroccan law.

The same source said that this is a routine procedure of the kind undertaken periodically by our Royal Navy with regard to any foreign vessels committing violations in our territorial waters.

The same source adds that the trawler "Gornov"'s crew tried several maneuvers against the patrol-boat "Triki" that was attempting to board it, including even a kidnapping maneuver against the two officers of the Royal Navy who boarded it.

In an effort to put the matter back into better perspective, as an affair for the police, the Moroccan authorities have entered discussions with the Soviet authorities:

and the Soviet consul general in Casablanca has been authorized to go to Dakhla and make contact with the members of the crew.

The same source, finally, deploras the erroneous interpretation given to this affair by certain parties seeking to damage relations between Morocco and the Soviet Union at a time when the recent visit of the minister of state for foreign affairs and cooperation to Moscow has brought encouraging signs. The same source stresses that while Morocco values the continuation of these traditionally friendly relations, it would be derelict in its responsibilities to permit its sovereignty over its territorial waters to be deliberately violated.

9516

CSO: 4400

EXPANSION OF SOCIAL SECURITY BENEFITS ADVOCATED

Rabat AL-'ALAM in Arabic 19 Dec 80 pp 1, 5

[Article: "Social Security for Farmers, Workers in Traditional Industries, and Others"]

[Text] Since our country obtained its independence the Istiqlal Party has fought to enable the masses to obtain all of the rights and benefits entitled to them. Among the forefront of those whom the Istiqlal Party has fought for and supported are the workers--whether they work in industry, commerce, or agriculture. As a result of these efforts made by the Istiqlal Party, the Social Security Law was promulgated in December 1959 and was published in the Official Journal on 22 January 1960. But those who were in charge of the government at that time (that is, the National Union of Popular Forces) restricted the benefits of the Social Security Fund to workers who were working in industry, commerce, and the free professions, and thus they excluded farmers, workers in traditional industries, and household employees, and they did so for reasons which are known to everyone. These reasons may be summed up in the fact that the ones who primarily benefit from the Social Security Fund are those who exercise control over it. One-third of the members of the board of the Social Security Fund are workers. It is a known fact that the government at that time forbade (in practice) the workers to be represented by any group other than the Moroccan Labor Union, which supported the government in return for having the government support it and serve the interests of those in charge of it.

But the Istiqlal Party continued to fight for the rights and interests of agricultural workers, workers in traditional industries, and household employees. In spite of the modifications which took place in the 27 July 1972 Law, agricultural workers are still deprived of benefiting from the Social Security Fund.

The Fund has become an important financial agency which constitutes a state within a state, and the majority of the people who control it are from the Moroccan Labor Union. It should be included among the agencies which should be monitored and investigated by the ministry, designated by the prime minister, which is entrusted by the ministry, designated by the prime minister, which is entrusted with the task of investigating public and semi-public agencies and bureaus. The reason for this is that this Fund (according to the latest figures) involves a total of about 147 billion [dirhams], which is invested in the Deposit and Investment Fund which pays interest of 5.5 percent. Workers do not benefit from this available capital--even though a large part of it has been paid in by the workers from their wages--in terms

of housing benefits or providing a decent life for their families. The capital is used in commercial activities and is spent on luxuries and nonnecessities which only the more fortunate people benefit from.

The amendment submitted by the Istiqlal Party concerns itself with this matter and states: "Capital in the National Social Security Fund, other than the money which is necessary for its normal operation, should be deposited in a special agency which operates according to regulations and which is concerned with investing this capital in a way which promotes building low-cost housing for workers, combatting the bidonville phenomenon, and creating community facilities for the benefit of workers."

What this means is that this money should not continue to be in the service of capitalism and should not be continued to be used by capitalists who are enriching themselves at the expense of the interests of the workers and those who pay in the money which constitutes the National Social Security Fund.

The time has finally come for agricultural workers, workers in traditional industries, persons employed in households, and other workers in the sector to benefit from the Social Security Fund. This is why the Istiqlal Party, for the sake of unity and equality, introduced a bill, on 24 May 1978, to the Chamber of Representatives for the amendment of the 1972 ordinance. This amendment stipulates that those who benefit from the Social Security Fund "should be all workers who earn wages, including workers in the commercial sector, industrial sector, agricultural sector, workers who work by contract, workers in all sectors of the traditional industries, workers in the free professions, employees in households, workers having a contract agreement, or workers who are in a labor union, civilian firm, or any type of organization, whatever their wages are and whatever the form, type, or validity of their work contracts might be."

This proposal sat in the Chamber of Representatives for more than 2 years until the government submitted a bill to amend the 1972 ordinance. This bill was an attempt to rob the Istiqlal Party's bill of its true meaning and purpose, which was that of promoting the interests of low-income workers in agriculture, household, employment, and traditional industries--especially in family compensation matters. The bill, which was submitted by the Ministry of Labor, emphasized that benefits to agricultural workers from the Social Security Fund should be restricted to compensation paid in case of sickness and childbirth, death benefits, paid leave taken due to childbirth, old-age and chronic illness pensions, and pensions granted to those who have lost their means of support due to the death of a wage-earner. These people would not benefit from family compensation payments. In addition to this, the Labor Ministry bill totally ignores workers in the traditional industries, household employees, and others who were mentioned in the bill which was submitted by the Istiqlal Party.

This is what led the Istiqlal Party to submit amendments to the government's bill. Some of the representatives, who belong to the Moroccan Labor Union and the Socialist Union, tried to keep the Chamber of Representatives from approving these amendments. They opposed postponing the study of the government's bill, in an attempt to kill the amendment submitted by the Istiqlal Party.

In fact, they went all out in their eagerness to achieve this aim. Whatever happens, the Istiqlal Party will continue to strive to have agricultural workers, household employees, and workers in the traditional industries enjoy the same rights which are enjoyed by workers in commerce and industry. If it is demanded that either some or all of them pay into the Social Security Fund, then it is their right to enjoy all of the benefits thereof, otherwise they will have been treated unjustly.

And this is what the Istiqlal Party is fighting for.

9468

CSO: 4402

EFFECTS OF POPULATION GROWTH EYED

Casablanca LA VIE ECONOMIQUE in French 12 Dec 80 p 8

[Text] Demographic projections have been based on the assumption of a rapid decline in mortality in accordance with the general worldwide trend and in Morocco achieved through changes in life-style, progress in education and urbanization, the development of health infrastructure and of medical personnel. This assumes a normal decline in fertility (the number of births per year per 1,000 women between the ages of 15 and 49) resulting from the same factors which slowly but surely are leading to changes in individual attitude toward the number of children per household. In this case, the gross reproductive rate (the number of female births per woman during the child-bearing years) will reach 2.7 by the end of the century, and Morocco should count on a population approaching 37 million inhabitants. This is how the population numbers would grow:

Population (in thousands)

| | |
|-------|--------|
| 1980: | 20,130 |
| 1983: | 22,108 |
| 1985: | 23,530 |
| 1990: | 27,510 |
| 1995: | 31,980 |
| 2000: | 36,960 |

The Structure of the Population

Both for men and women, the three basic age-groups would essentially retain their relative importance; thus, the youth as a share of the total population would be 51.8 percent, those aged 20 to 64 would be 45 percent. Likewise, the percentage of elderly, those 65 or older, would climb from 2.7 percent in 1980 to 3.2 percent in the year 2000.

By contrast, the distribution of the population by environment will undergo major changes:

Urban areas:

| | |
|-------|---------------------------|
| 1980: | 8,419,000 (41.8 percent) |
| 1985: | 10,766,000 (45.8 percent) |
| 2000: | 21,273,000 (57.6 percent) |

Rural areas:

1980: 11,711,000 (58.2 percent)
1985: 12,764,000 (54.2 percent)
2000: 15,687,000 (42.4 percent)

It can be seen from these charts that the rate of urbanization should increase in the next 5 years and should go from 40 percent in 1978 and 42 percent in 1980 to 46 percent in 1985. Beyond the period of the 5-year plan, this rate should continue to be augmented and reach 57.6 percent in the year 2000.

The distribution of the population between urban and rural areas depends on numerous and complex economic and social factors. The magnitude of the rural exodus depends in large measure on living conditions, the development of agriculture, and the possibilities of employment in rural areas. But many other factors also enter in, particularly the concern of parents to assure their children a better education and the belief that the city offers better chances for promotion. If past trends continue, the rate of urban growth of 5.04 percent per year during the 1981-1985 period will be composed of 3.17 percent natural growth and 1.9 percent rural exodus.

During the period 1985-2000, the urban areas will grow at 6.5 percent, while the rural areas at only 1.5 percent. Probably around 1997 Morocco should become a predominantly urban country.

In any case, the rapid growth of the population will not fail to have profound impact on several sectors of economic and social activity, such as education, health, jobs, food, habitat, and the standard of living in general.

Education

The population group ages 0-4 should grow from 3,448,000 in 1980 to 3,953,000 in 1985 and 5,666,000 in the year 2000. The size of this growth shows the necessity of defining a policy of maternal and infant protection aimed at good nutritional health, particularly for vulnerable groups (malnourished children, pregnant and nursing women).

With regard to pre-school education, which theoretically concerns children aged 5 and 6, of whom there should be about 1,162,000 in 1980 and 1,347,000 in 1985, the problem is creation of infant schools, kindergartens, day-nurseries, and M'sids [translation unknown]. Presently the number of pre-school children in Koranic schools amounts to close to 479,000.

The category of school-age youth from 7-14 years of age is calculated at 4,422,000 in 1980; 4,913,000 in 1985, and 7,584,000 in 2000. The total number of children reaching school-age in 1980 will be 581,000, in 1985 674,000, and in 1990 776,000--and in the year 2000 more than a million.

| | <u>1980</u> | <u>1985</u> | <u>1990</u> | <u>2000</u> |
|-----------------|-------------|-------------|-------------|-------------|
| 7-14 years | 4422 | 4913 | 7584 | 7584 |
| age 7 | 581 | 674 | 776 | 1010 |
| new enrollees | 400 | 540 | 720 | 1010 |
| enrollment rate | 69 | 80 | 92 | 100 |

[figures in thousands]

Presently the rate of enrollment is 65 percent, excluding children enrolled in the Koranic schools and private schools. The goal of full enrollment of 7-year-olds (in reality enrollment begins in practice at the age of 6 years and several months and affects some who are aged 7 years and several months) by 1992 necessitates increasing the number enrolled in preparatory classes at the rate of 6.7 percent per year. This requires on the one hand construction of 19,000 classrooms (excluding rotation and alternation) during the period 1981-1985, or 3,800 classrooms per year, and on the other hand the training of 30,425 instructors, or 6,085 instructors per year (presently we are building 2,000 classrooms and training 4,900 instructors per year).

It should be noted that the slowdown records in enrollment during the 1978-1980 triennium could jeopardize attainment of the goal of full enrollment by the year 1992, if this slowdown is not resorbed during the next plan. It is thus imperative to accelerate construction of classes and the training of teachers.

The cost of universal education will be very high and will weigh heavily on the financial prospects of the country: but the "cost-benefit" analyses of education effectuated in Morocco versus abroad show that the profitability of primary education is higher than that for the other educational levels. This is explained by the fact that those who only enjoy primary education use the basic knowledge acquired often much better than those who have acquired more advanced training at the price of a selection [process] that is costly to the national collectivity.

With regard to children who abandon their studies, particularly during the primary cycle, appropriate programs should be provided in the framework of vocational training policy.

Also, it is appropriate to stress the role of educational and cultural activities in the curtailing of delinquency (youth houses, holiday camps, youth employment opportunities, sports, theater, etc.).

Population and Health

Taking into account the minimum standards set by the ministry of public health, the present status of infrastructure in the health field is inadequate, despite the considerable progress achieved in recent years. Thus, the capacity of the hospitals will be 32,000 beds in 1980, corresponding to 629 inhabitants per bed. On the basis of 300 per bed, hospital capacity should be 78,430 beds in 1985 and 123,200 beds in the year 2000, which necessitates 91,200 additional beds between 1980 and 2000, or 4,560 beds per year.

Up to now, less than 1,600 beds on average have been established per year, and it will be difficult even to surpass 2,000 annually during the next decade (because of the very high cost of equipment and operation.) This situation begs for more rapid development of preventive medicine.

In the field of prevention, and taking into account the projects completed or under way, the number of dispensaries and health centers will represent, respectively, 79 percent and 55 percent of those needed in 1980. Assuming total coverage of needs, in accordance with the standard of 1 dispensary per 15,000 inhabitants and 1 health center for 45,000 inhabitants, we would have to build 760 dispensaries and 280 health centers more during the period 1981-1985, and, by the year 2000, 580 health centers and 1,650 dispensaries.

Concerning medical staffing, the number of doctors was about 1,900 in 1978, which represents one doctor per 10,000 inhabitants. On the basis of a minimum acceptable level of 1 doctor per 6,000 inhabitants, needs would be for 2,020 public health doctors between 1979 and 1985, or an annual recruitment of 340 doctors. If one wanted to meet the standard of 1 doctor per 1,500 inhabitants enjoyed by the industrialized countries now, it would be necessary to train more than 1,000 doctors each year. The number of doctors presently in training, who should finish their schooling between 1980 and 1985, will probably be 3,000 graduates, or 500 per year on average.

9516

CSO: 4400

LAND GRANTS BEING DISTRIBUTED DESPITE SURVEYING ERRORS

Riyadh AL-RIYADH in Arabic 29 Nov 80 p 3

[Article by Muhammad al-Sulayman: "Distribution of Royal Land Grants in Riyadh"]

[Text] The Riyadh City Secretariat has announced the distribution of the first group of royal land grants, consisting of 8,500 lots. A statement issued by His Highness Shaykh 'Abdallah al-Na'im, secretary of Riyadh, said that all the secretariat's 20,000 grants have been covered, but a mistake in surveying the granted land caused some of the lots to be located in uninhabitable wadis, which forced the secretariat to repeat a large part of the operation. The secretariat has about 12,000 lots left, which will be announced soon, God willing.

The distribution covers four areas: the eastern al-Muthalath area, which lies north of the al-Rawdah Quarter and contains about 1,200 lots; the Laban area, which contains about 15,000 lots; the northern al-Dhala' area, which contains about 1,600 lots, and the north-east Riyadh area, which contains about 3,500 lots.

Shaykh al-Na'im has asked the citizens whose names appear repeatedly because of similarities in names to notify the secretariat, so that the extra land can be saved and given to other citizens. Here is his statement.

"The Riyadh City Secretariat wanted to carry out the generous royal desire to help provide a home for every citizen. Specialists at the secretariat, whether in the Planning Department of the Land Department, exerted great efforts to prepare the greatest possible number of suitable lots to be handed over to our brothers who hold royal grants. The efforts of our brothers in the above-mentioned sections were extraordinary. They worked night and day and on Thursday and Friday of every week, and even during the holidays, so that we could announce this major distribution, which affects about 20,000 grant holders, at an early time. We have actually covered all the grants we have, but after we had put all the lot numbers in front of the names, and had made lists of names for distribution to the branch municipalities, the contractor who surveyed this land discovered, during subdivision, that many of the lots were located in wadis, which indicated that the surveying operation had not been 100 percent correct and that some wadis were planned as residential areas. Once their unsuitability was confirmed, we had to repeat part of the job. So that we would not be delayed more than necessary--especially since the secretariat had promised earlier to make the announcements quickly--we decided to announce the first group, containing 8,500 lots. There are about 12,000 lots left, which we will announce soon, God willing. I hope that this will take place

next month, because the land is ready and planned, and some of it has also been subdivided. The only thing left to do is to put the lot numbers in front of the listed names.

"This distribution includes four areas. First is eastern al-Muthalath, which lies north of the al-Rawdah Quarter and east of eastern al-Dhala', extending to the circumferential road. It is a small area, containing about 1,200 lots. We wanted to distribute them carefully and in numerical order to those of our university graduate brothers who brought us copies of their diplomas before the distribution list was completed last Shawwal [October]. It is true that many of our brothers want their grants to be there, but you can see that this is absolutely impossible.

"We hope that this disposition will satisfy our brothers, whose desires we tried to fulfill as far as possible and in sequence.

"I hope that the dear brothers who had expected their distribution to be there and who find it otherwise will think before getting angry, and rest assured that God knows we can do no more than has been done, and be convinced of that, God willing. On the other hand, the second area is better than eastern al-Muthalath, and its value will become more obvious when the bridges now being built over the wadis are completed.

"Second is the Laban suburb, an excellent area surrounded by and elevated above four wadis. Its total area is very close to that of eastern al-Muthalath, and it has a much better location. However, it is new, and settlement has not yet begun there. It is connected to the diplomatic quarter by a bridge, and to the new cabinet headquarters by two big bridges, one of them the new Hijaz Road bridge which is still under construction, and the second the western al-Dhala' circumferential road bridge. These two main roads traverse the suburb, and it is no further from the diplomatic quarter and the cabinet than the width of the wadi separating them. It is only 9 kilometers from the heart of the city--the Government Palace area--i.e. it is closer to that area than are eastern al-Malazz and al-Sulaymaniyah. Furthermore, it will be connected to the al-'Arija suburb to the south by two other bridges, one of which is now under construction. This suburb contains about 15,000 lots. A paved road has been laid to facilitate access to it, and a sign has been set up showing how close it is to the city.

"Thirdly, there is a lot lying north of the circumferential road (northern al-Dhala') and west of the secretariat land which was distributed 4 years ago.

"Fourth, there is another parcel lying north-east of Riyadh, containing about 3,500 lots.

"These four areas, which contain more than 20,000 land grants, are now being subdivided by the Ibrahim al-Muzayyid Consulting Organization. Once the land in these four areas is distributed, the secretariat will have distributed about 65,000 land grants in a little more than 4 years. It is worth mentioning that all the areas included in the above-mentioned grants are well-planned, with good, wide streets, with a view towards the proper provision of public utilities, so that the secretariat or any other government office will not have to repossession land in the future.

"In view of the similarity of many names, which is, as you know, prevalent in our society where names are repeated within a single family and where the names of some families are similar, we have assigned a lot to each name so as to not deprive any citizen bearing the same name as another citizen when they are in fact two different persons. However, the instructions do not allow any citizen to acquire two grants. Therefore, we hope that the citizens with similar names will notify us, so that the excess land can be reserved and given to other citizens. In case more than one royal grant is issued to a single citizen or in case his name is repeated by mistake, we will remove the name after ascertaining the facts of the case, God willing. We are confident that our citizens, because of their outstanding moral character, will notify us on their own. Also, the secretariat will give each person a pledge to sign when receiving the land, stating that he has not received any previous grant.

Method of Distribution

"With respect to eastern al-Muthalath, the last number we received was Number 7497. As I have said, this area is reserved for our university brethren who brought us their diplomas prior to the completion of the distribution. They should report to the al-'Aliya Municipality and the al-Sulaymaniyah Branch Municipality located south of the circumferential road markets to find out their lot number. The lots, of course, will be handed over after subdivision is finished.

"As for the Laban suburb, in view of the many lots there, the lists have been distributed to several branch municipalities as follows: Numbers 5850 to 7334, the al-Malazz Municipality near the Palace of Prince 'Abdallah; Numbers 7335 to 7506, al-Shamisi Municipality behind the Telephone Building; Numbers 7507 to 7509, al-'Atiqah Municipality at the al-'Atiqah vegetable market; Numbers 7510 to 7553, al-Shamal Municipality, al'Urubah Road; Numbers 7554 to 7567, al-Rawdah Municipality, al-Rawdah Quarter; Number 7568, al-Nasim Municipality, al-Nasim Quarter, or al-Ma'dhrawam al-Hammam Municipality, Prince Fahd Street west of al-Dhabab Road; Numbers 7569 to 7841, al-Janub Municipality, al-'Anuz; and Numbers 7844 to 8000, formerly known as the 'Abd-al-Latif Jamil lot, al-'Arija Municipality, al-Fayha' Quarter.

"In view of the large number of certificates under Number 7568, it has been distributed in toto to the municipalities of al-Nasim and al-Marba' to facilitate matters for the grant holders.

"The grant holders will find certificates printed with their names, with the lot number before each name, which they will have to keep. Right now the land is being subdivided, and once this is finished you will be informed, through the office of the contractor who is subdividing the land, Ibrahim al-Muzayyid, how to receive the land.

"As you know, subdividing land takes time, but not long, I hope. We wanted to announce the lot numbers quickly, to reassure our brothers that we are seriously working to finalize their grants. In view of the many grants, we are using the card system so that the various agencies, either at the secretariat or at the justice scribe's office, do not get confused when releasing the deeds to this huge group.

"This card will include the number of the royal decree, the lot number, and its boundaries. It is an official document which its bearer can dispose of by construction or otherwise. The Real Estate Development Fund will accept this card until the third installment comes due. Because of the many beneficiaries, the secretariat has detailed a number of employees to that job exclusively. It will determine the place where the justice scribe and his employees begin, because we do not want to confuse his office with your large, fortunate numbers, God willing. You will be clearly and precisely notified of all measures, and we therefore hope that our brothers will not apply to the secretariat for information. We want to finish with the lots quickly, because the secretariat has a great deal of responsibility towards the city of Riyadh, and its personnel must devote themselves to it and make great efforts for its sake. By virtue of God-given strength, might and success, it has, with the support, encouragement and urging of the leaders, God help them and grant them success, distributed more than 65,000 lots over the last four years, if you include this major distribution, in implementation of the exalted, noble goal to provide a home for every citizen as outlined by the government of His Highness the King and his Crown Prince.

"All these many lots distributed in a single city over 4 years primarily encompass low-income and destitute persons. The lots vary in area from 400 to 1,600 square meters, and a few of them cover 2,500 square meters. I do not wish to boast, because my colleagues and I are merely the executive agency for dispensing the liberality of the leaders, but I praise God that my colleagues and I have been able to contribute to the achievement of this noble goal, which I feel has never before happened on this scale and in such a short time--only 4 years. Add to this what my brothers in the other municipalities of the kingdom are doing, and how the newspaper columns have been filled with lists of limited income grant holders. Add the efforts of the Riyadh City Municipality to the efforts of our brothers in the kingdom's municipalities in only one field of giving and welfare, that of distributing government land to the needy. This is the subject of our discussion today, and we must limit ourselves to that. We met with other donors in other towns, but we have room only for the names of the benefactors in Riyadh in particular and the kingdom's towns and villages in general. In gratitude, appreciation and recognition of His Majesty the King and his Crown Prince, who both urged us to expedite the achievement of this goal, I, speaking for Riyadh, thank His Highness Minister of Municipal and Village Affairs Prince Mit'ab ibn 'Abd-al-'aziz, Amir of Riyadh Prince Salman ibn 'Abd-al-'Aziz, and his deputy, Prince Sitam ibn 'Abd-al-'Aziz, for their support, assistance, and continual, generous cooperation in attaining this goal. As God is my witness, I received unbounded support and matchless encouragement from them, and their desire to achieve this end incited me and my colleagues to redouble our efforts.

"I say these words of gratitude and appreciation today, as we strive to carry out the last of the grants and distribute the land to low income persons. I express this gratitude in faithfulness and appreciation of His Royal Highness Prince Majid ibn 'Abd-al-'Aziz, Amir of Mecca and Former Minister of Municipal and Village Affairs, for his generosity towards the secretariat and his perpetual encouragement and strong support for the land grant project for low income persons, which I felt from the first day it fell to me to supervise the services of the Riyadh City Secretariat. He has constantly stood alongside us, spurred us on and encouraged us at the secretariat, and got this land for us. It was my good fortune to meet up

with him while he was inspecting the certificates for low income persons. He saw this benevolent project, in which he had a major role, through to realization. His Highness urged us to expedite the distribution and try to overcome all obstacles. Therefore, I tender profuse thanks to all the brothers in the kingdom's municipalities who exerted such extraordinary efforts to distribute land to the deserving. In particular I thank my brother workers at the Riyadh City Secretariat for their seriousness, activity, resolution and skill, be they from the Planning Office, the Land Office or elsewhere.

"May God grant success to us and to those whom he loves and is pleased with, and may he make our efforts sincere. May God grant success to our rightly-guided government and give it victory and success, for verily He is the protector and the defender.

"God grant a close union between welfare and development in the city of Riyadh, capital of the Kingdom of Saudi Arabia, and between the hearts of its people and its lovers everywhere."

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CSO: 4802

OMANI OFFICIALS COMMENT ON GULF SECURITY CONCERNS

Paris AL-NAHAR AL-'ARABI WA AL-DUWALI 6 Dec 80 p 28

[Article by 'Ali Hashim: "Oman's Foreign Minister: We Are Neutral In the Gulf War"]

[Text] Muscat--Qays 'Abd al-Mun'im al-Zawawi, the Sultanate of Oman's Minister of State for Foreign Affairs, says that his country "stands neutral in the Iraqi-Iranian war." Neutrality, he said, "reflects the position of all the Gulf states which have agreed not to interfere in that war, and we hope that the war will end so that calm and stability may return to the region."

Al-Zawawi was speaking in a press interview to mark the 10th anniversary of Sultan Qabus Ibn Sa'id's accession to power after the uprising which toppled his father, former Sultan Sa'id Ibn Taymur.

Referring to the prospects of convening the 11th Arab summit in Oman, the minister said that "the summit will be held in time and the sultanate supports the meeting of the Arab heads of state because the present circumstances require such a meeting to draw up a joint Arab strategy."

He was asked how will Oman act if navigation in the Strait of Hormuz is threatened by Iran, Iraq or any other foreign source. Can Oman face such a threat? Mr al-Zawawi said that the sultanate has limited technical capabilities, "but if the threat to the Gulf was more than it can cope with, we will then seek the help of friendly states, especially Gulf states, then solicit the help of Western powers that have a paramount interest in the flow of navigation through the Gulf, in other words the continued flow of oil which the West, with its civilization and industry, cannot do without." He added: "We will not seek military help, for our strength is sufficient. But we will seek the aid of technicians to clear the strait if any ships are sunk in it."

About Oman's plan for Gulf security and protection of the Strait of Hormuz, he said: "All the Arab states of the Gulf have supported the plan with the exception of Iraq. Iraq, however, did not oppose the plan in a formal manner but through articles carried by Baghdad's AL-THAWRAH." The minister of state said that he wished the first Gulf war would come to an end "so that all the states of the region, including Iran, would join in guaranteeing security and stability in the Strait of Hormuz and the Gulf region."

He added that the Omani plan would cost 40 million Omani rials (about \$120 million) to buy military equipment for the protection of the strait.

About Iran's (previous) claims on Bahrain, the Omani official said that the sultanate "will firmly oppose any interference in Bahrain's affairs because it believes that Bahrain is an Arab sovereign state and because Oman rejects interference by any state in the affairs of another."

Yusuf al-'Alawi 'Abdullah, Undersecretary of the Omani Foreign Ministry, also spoke to AL-NAHAR AL-'ARABI WA AL-DUWALI about security in the Gulf. He said: "Security of the Gulf is a concept related to the sovereignty of the region's states over their own territories. Security is the responsibility of those states not any other states." He added: "The Gulf is a very sensitive region to the interests of many nations of the world. When we talk about security, we must determine what are the dangers that threaten the Gulf. That determination has two aspects:

- 1) We have to create some kind of a framework of relationships among the states of the region, so that what is taking place between Iraq and Iran may not be repeated.
- 2) We should examine the prospects of foreign threats. It is well-known that the states of the region have expressed fears as a result of the Soviet Union's expansionism and its entry into Afghanistan. As a result, effective safeguards must be sought so that the states of the region may not be faced with the threat of invasion. This should be done quickly."

Al-'Alawi was asked about the question of American presence in the Sultanate of Oman. He denied the presence of any American military personnel, aircraft or ship on Omani territory or in the airports or naval bases of Oman. He said: "We are against the military presence of any foreign power in the Gulf region. We are against the policy of pacts and of leasing bases. We are in agreement with the states of the region on that. But we have seen how the Soviets have slipped into the region and intensified their overbearing military presence. They are in Afghanistan. They have taken over bases, ports and islands in the PDRY, then they have gotten into Ethiopia and the Red Sea coast. Their presence has upset the balance. Fear for the region from the Soviets is a fact. To deter them, we signed the agreement to provide facilities [to the U.S.]. But this agreement does not translate into an American presence in Omani ports and airports. No, it merely means that facilities are made available to the U.S., as is customary among friendly states. The granting, timing and size of facilities are up to us, not to the Americans."

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TUNISIA

MOHAMED MZALI, AHMED MESTIRI INTERVIEWED

Dakar AFRICA in French Dec 80 pp 23-26

[Interview with Mohamed Mzali, Tunisian prime minister and Ahmed Mestiri, leader of the main opposition party, MDS [Movement of Socialist Democrats] by correspondent Renee Pelletier: "Tunisia: Hope in the Present"; date and place not given]

[Text] The desire for change expressed by the Tunisian leaders since Mohammed Mzali has taken over the government now seems to be becoming a fact: The release of the last trade unionists sentenced after the events of 26 January 1978, who are thus recovering their civil rights, the easing of tension observed in the universities where a more liberal university policy is being initiated, the reconciliation between the former leadership of the trade union federation and that appointed by the government after the 1978 purges, are accompanied by a clever political approach intended to create a broad national consensus. The welcome reserved for government initiatives by politicians and especially the opposition shows in this respect that the government is at least enjoying the benefit of the doubt.

The next congress of the PSD [Destourian Socialist Party], an only party, which will begin in May 1981, 3 months ahead of time, should thus lead to the replacement of its main leaders through the election of a new central committee. A political measure which has not escaped the closest observers of the new trend which seems to be operating in Tunisia and a crucial test for a government which has been able to re-exert control in time.

For the moment, the opposition is taking a position with prudent expectations: while providing the government with indications of a desire for cooperation which the risks of foreign intervention demand more and more--the numerous Libyan encroachments in Tunisian territory and the increasing tension between the two countries bring to mind the sad memories of the Gafsa affair--attentive and anxious, it would like to see intentions become facts.

The interview with Prime Minister Mohammed Mzali which we are rendering below is followed by that of Ahmed Mestiri, leader of the main opposition movement, "the Movement of Socialist Democrats," who declares he is "nationalist, patriotic and responsible," but he demands for his country a "true democracy which will be realized--he says--by abandoning the single party."

[Question] Mr Prime Minister your speech at the United Nations at the end of September seemed original compared with the speeches of other politicians, all the more so since it directly concerns the Third World in general and the African continent in particular, since you link the idea of economic and social development and that of political progress. Then is the multiparty system something for the future?

[Mohamed Mzali] The multiparty system is not necessarily synonymous with political progress. We find regimes where a multiparty system desired by the government exists without it necessarily meaning that there is political progress. On the other hand, we can find a one party system where real political progress is observed. The Destourian socialist party has never been a party in the restrictive or monolithic sense of the word. Since its founding in 1934, the party has always been a front where different political, and I would even say economic tendencies, existed side by side. The president's personality has always been decisive and has provided the impetus which is his own; he always found the word, the idea to convince the members, but in spite of that, there have always been differences. When comparativist policy seemed to dominate in the party at a certain time, some members opposed it: The proof is that the party was able to correct its fire.

I want the Destourian socialist party to remain a rallying front and always be able to polarize efforts.

[Question] According to you, there is only a legitimate government within the limits of democracy. What are the limits which you refer to?

[Mohamed Mzali] They exist in the level of a successful combination of freedom and responsibility. I am free, consequently I am responsible, because I understand the dialectical relationships between right and duty, because I have the strength of character and the civic standards which allow me to enjoy my rights and assume my obligations. There is an ethical aspect to this freedom. Democracy requires virtue. For there are many people who speak of freedom and forget morality. Freedom then belongs to those who can shout the loudest!

[Question] But is not this asking too much of the men and women of Tunisia, some of whom are having a difficult time? Can you ask such virtue of those who face pressing problems?

[Mohamed Mzali] Authority does not consist of controlling, it lies in educating, consequently in sometimes going against the current. And politicians must set the example, be models, guides for the people.

[Question] Then privileges are over?

[Mohamed Mzali] We are there to reduce privileges. For if you define privileges, you are already in the ideal society, the heavenly city. This is not a fact. We are human beings and virtue and vice, good and evil live side by side in each one of us. As soon as the evil in us gets the best of the good, privilege appears. Consequently it is a struggle every moment, a matter of vigilance...

[Question] Mr Prime Minister, what in the final analysis is your development strategy in a country which has made substantial progress, but which, even a few months ago was marked by a range of unequal incomes, by accentuated regional imbalances and by a university selection aggravated by lack of prospects for the future?

[Mohamed Mzali] It is first to continue the work undertaken for years to create wealth. It is consequently to stimulate investments and to establish for that an economic policy, openness and dialogue. But at the same time, a socialist policy is necessary, which distributes incomes as equitably as possible.

Then we must not forget the human and humanist aspect of all policy. You have mentioned university selection. Now Tunisia is one of the unusual countries which has invested the most in education. And if we have difficulties, it is precisely because we have succeeded in our policy of intensive and accelerated education open to boys and girls. If we had not made rapid progress, we would not have had the problems which you call selection.

It is true that in certain cases, the training is not adapted to the job. The education which we inherited from France has always been theoretical: we are now in the process of changing the content of education in such a way that there is an osmosis between training and the job. It is a long range project.

[Question] Is it in any way a new stage of your independence?

[Mohamed Mzali] Certainly! The problem of selection is not a problem of political choice, but it is a university situation inherited from France, a relic of colonialism or postcolonialism. We have been foresighted enough to realize it and change course. But we need a generation to change an educational system.

[Question] You denounced at the United Nations these rich countries which are more sensitive about human rights than distributing wealth,

as well as the countries of the Third World carried away by the frenzy of being armed to the teeth, which leads to conflicts like the one between Iraq and Iran where they waste 6 billion dollars a week to fight a war. Six billion, it is what the 77 asked at the New York conference for the most destitute. What can Tunisia do?

[Mohamed Mzali] We must see the facts clearly. I have been frank enough with our brothers in the Third World to say that not all our misfortunes come from imperialism. We must examine our conscience: totalitarianism and dictatorship exist, some things are not right. We must realize it and agree on the analysis. We must not blame others for our present situation.

[Question] Where does this examination of conscience lead?

[Mohamed Mzali] We must fight against excessive armament. Wealth has been squandered in a few days and a development of at least 10 years has been threatened. That can suit the purposes of some multinational companies and some rich countries, but I do not believe that in the long run this means anything good for the world in general. After this examination of conscience, we must speak the language of sincerity to the rich countries and that of solidarity. We have a common destiny. The rich countries cannot insure their survival, their welfare, with several billion insects and poor and starving people.

This is true also for Tunisia. If there is a minority which exploits the people and fills its pockets, there will be a revolution in the medium or long term.

Interview with Ahmed Mestiri follows:

[Question] not indicated

[Ahmed Mestiri] Everyone here, both on the part of the government as well as the opposition has realized the need for change. As a matter of fact, there has been a change which has affected people and the political atmosphere since the departure of Hedi Nouira. A certain number of things were done, accomplishments, statements released, projects carried out by the present government, which we consider as so many positive steps towards a democratic development.

As regards what concerns us, being an opposition movement but also people of good faith, we have given the benefit of the doubt to the government in all honesty and sincerity.

There is very definitely a difference in the analysis and understanding of what should be done to overcome the effects of the crises which the country has just gone through and also about the way of viewing

the future. But all the same there is something new and a dialogue has taken place between the government and the opposition for a very long time.

[Question] What is your attitude?

[Ahmed Mestiri] We have told the prime minister that we are continuing to give him the benefit of the doubt, for we are going to judge him by his actions and we want to see his experiment succeed. We are demanding our place not only for ourselves, but for other opposition tendencies, in democratic institutions and we are ready to participate in elections if conditions allow it. But we also want to be involved in mass organizations, (students, workers) which are just as important as state institutions. It is necessary to create a certain atmosphere, to allow people to express themselves freely, to operate politically in a legal framework, in democratic organizations. That can only be done if we abandon the one party system, if we are oriented towards a form of democracy adapted to conditions characteristic of Tunisia. If there is a country in Africa or in the Arab world where there is a chance for a pluralist system to operate, it is certainly Tunisia.

[Question] Do you not fear that after a certain vacuum, this will be too much at a time, when with the economic crisis contributing, it is imperative to be united?

[Ahmed Mestiri] Everything is in knowing how to effect the change. If it is done gradually, consciously, calculatingly, we will definitely avoid crises, spasmodic starts and violent changes. We want a mature, premeditated change, organized by all those involved, a genuine dialogue between the government and the opposition.

There are causes for discontent in the country: among the young people an entire fringe of the population live as social outcasts. Everything is in knowing whether the demands of these young people can be channeled or not. If not, discontent will be expressed in another way.

[Question] It is often said in Africa that to fight against underdevelopment and face difficulties, it is necessary to organize behind a leader in a single party. Do you think it is an outmoded system.

[Ahmed Mestiri] I think on the basis of experience that the one party system has failed. I know my country and I speak with an experience of 25 years in public service. I think that the party has failed first in its attempts at democratization and then in the support of the masses. You see, the one party system, in Africa as well as in the Arab world, creates conditions for a kind of rigidity of the apparatus, the monopolizing of power by a minority and also for

disintegration. Whoever says single party, includes two corollaries: bureaucratic apparatus and personal power. For there is a form of political pluralism, which it is a matter of defining according to the peculiar conditions of each African country.

[Question] How does Tunisia's experience seem original to you and to what extent can Tunisia serve as a "laboratory" for the Third World?

[Ahmed Mestiri] In Tunisia, there are very old traditions of political and democratic life which go very far back into the past. The precedents exist and it is necessary to incorporate the democratic idea in political life. This process can take place within democratic institutions and mass organizations.

What matters is to stop the serious loss of trained personnel which is observed in all undeveloped countries. There are as many doctors, engineers and African businessmen in Europe as in our own countries. Why? It is not only a question of high salaries. It is a question of psychological environment. It is necessary to provide organizations which allow them to express themselves.

For, note, every time there is a coup d'etat in Africa, the members and leaders of the single party disappear as if by magic. No one has ever seen the leaders of the single party go into the streets to defend the regime when there is a military coup. This indicates to what extent the single party is abandoned in a situation which baffles it!

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DIFFICULTIES OF RECONCILIATION IN THE SOUTH REVIEWED

Paris LE MONDE in French 20 Dec 80 p 7

[Article by Jean Gueyras, special correspondent]

[Text] Sana--The 10 days' war in late February 1979 pitted the two Yemeni Republics against each other is already no more than a distant memory. Contrary to pessimistic predictions, the Kuwait accords that ended the battles between the north and the south of "Lucky Arabia" have been scrupulously observed and have radically changed the climate of the relations between Sana and Aden.

The aim of "unifying" the two Yemens was redefined in more realistic terms in November 1979: both partners agreed to concrete political cooperation measures, and economic measures likely in the end to favor a certain form of union over the one believed here to be historically inevitable. Since then an economic complementarity has been developed, with the forming of semi-public companies for tourism, air and ground transportation, and with the beginning of trading. In the political area, the joint constitutional committee formed in Kuwait continues, with plenty of optimism to draw up a constitution which in principle is to be submitted to the Sana and Aden Parliaments before being adopted by referendum in both countries.

It goes without saying that drawing up a text that, they are stressing here, "is to synthesize the two regimes by eliminating their contradictions," is an especially arduous task. The North Yemeni leaders are not very convincing when they repeat to their foreign interlocutors that the social and economic system of Sana "does not differ fundamentally" from that of Aden, both of them having "an important public sector," and that consequently merging with the South's Marxist regime is not an impossible undertaking. On the other hand, they seem to be closer to the truth when they add very quietly, "The important thing is to pursue the dialog, to remove the danger of a new war."

A System for Dialogue

The policy change with respect to Aden is accompanied within the North Yemeni team by a rebalancing of the political forces. The unconditional opponents of rapprochement with the South have been dismissed from the government and replaced by persons who, though they are not part of the Democratic National Front--an opposition organization--, had participated in the February 1979 hostilities beside the South Yemeni forces and are believed to be close to them. President Ali Abdallah Saleh, who has been revealed as a clever tactician, was able to appease passions by setting

up a system for dialog intended to "seal the national reconciliation." For that purpose he created an advisory council of 20 members representing most of the country's political groups, with the exception, however, of the Democratic National Front.

At the same time, a "committee for national dialogue," larger but also representative, in late June published a draft national charter meant to codify the principles of national reconciliation; the document will be submitted to the National Assembly, which in principle is to be elected by universal suffrage early in 1981.

However, the consensus being drawn up is still very fragile. The advisory council's sessions are often stormy and violently positions Sheykh Abdallah El Ahmar, the head of the all-powerful Confederation of Hached Tribes, in opposition to those in favor of centralizing the government. Under President Hamdi's rule, Sheykh Ahmar had retired to his fief in Khamer, from which he waged a pitiless fight against the man who today is considered the symbol of North Yemeni independence and the champion of a modern strong and structured state.

After Hamdi's assassination in October 1977 in circumstances that have not yet been officially clarified, Sheykh Ahmar reappeared on the political scene. He has since then been believed to be the head of an "Islamic Front," a movement with ill-defined outlines, including in addition to tribal forces hostile to the central government, "refugees from the South," partisans of a return to the cold war with Aden, and ulemas [Muslim men of authority] who from high up in their minbars [translation unknown], regularly denounce "atheists and infidels," of the South as well as the North, and whose sermons are distributed in the form of tracts by the Muslim Brothers, who are not very numerous, but are especially active.

In its present form the Islamic Front actually is a "pressure group," supported and probably financed by Saudi Arabia with the aim of checkmating, insofar as possible, the regime's policy of rapprochement with Aden and the East European countries. It had considerable success in obtaining the departure of the minister of Information, Yehia El Arachi, believed by some to be a dangerous liberal, and the replacement of Hassan El Makki, Riyadh's bete noire, at the head of North Yemeni diplomacy, on the occasion of the ministerial reshuffle of last 15 October.

Nearly 2 years after the February 1979 war, the National Front enjoys an ambiguous status in Sana. Officially, "it does not exist." In fact, the FND [National Democratic Front] leaders, still in exile in Aden, make frequent visits to Sana to continue tirelessly the dialogue that is intended to result in normalizing their relations with the government. An agreement in principle concluded last January to assure the Front's participation in the government has not been applied. However, Aden has reduced its political and military support of the FND, so as not to compromise the rapprochement with Sana.

Paradoxically, this attitude has strengthened the Front's influence and its freedom of action, by accentuating its North Yemeni character and reducing the bonds of dependence on Sana. The FDN [probably FND], which when it was founded in March 1976 was only a marginal movement consisting of Marxist intellectuals, Baasists, Nasserians and Arab nationalists, took on a new appearance after it welcomed, in July 1978, soldiers who had become dissident after President Hamdi's assassination and who were claiming to be his heirs. After that the FND strengthened its popular base by infiltrating certain tribes in the northern part of the country, including the Bakils, who are traditionally opposed to Hached. However, the Front is still chiefly

implanted militarily in the southern part of the Yemen Arab Republic, notably in the region between Damt and Al Bajda, where it virtually controls several "liberated villages," organized on the South Yemeni model.

The Chief of State in a Delicate Position

The FND's many attempts to expand its influence provoked many confrontations during the months of Ramadan (June-July 1980) between its military units and the militia created by the Islamic Front to defend the power of the sheykhs, who are often corrupt and incompetent and are threatened by the "Frontists" who set themselves up as dispensers of justice. Islamic Front partisans counter-attacked by organizing in Sana a series of assassination attempts against officers believed to be close to the FND, and even, it is said, against President Ali Abdallah Saleh, who was accused of being too tolerant of the Front's activities.

The position of the chief of state is a delicate one. Challenged in the south by the leftist underground, in the north he is confronting the latent dissidence of the Hached Confederation tribes, led by the all-powerful Sheykh Abdallah Al Ahmar, which is a kind of feudal state within the Republic.

The army was able to reestablish the semblance of a presence on a Sana-Sada axis, but it is almost absent beyond a radius of 80 km around the capital. To the right and the left of this axis there is total insecurity and the political power belongs to Sheykh Abdallah Al Ahmar, who has life-and-death control over his subjects, collects a tithe and practises fruitful smuggling, organized on a large scale in full view of the impotent state. Scarcely over-simplifying at all, it is safe to say that the power of the central government does not extend beyond the borders of a triangle whose three points would be Sana, Hodeida and Taez.

A Modern Army

In those circumstances one can understand the efforts deployed by the leaders to give the country a modern army capable of reinforcing the state's authority over the whole of the national territory. After the February 1979 war the Sana regime, under pressure from Saudi Arabia, asked Washington for adequate military assistance. However, it quickly became apparent that the military assistance, sparingly supplied through Riyadh, was providing Saudi Arabia with the means of influencing the domestic policy of Sana. Aware of that danger, the North Yemeni leaders turned again to the USSR. A military mission hastily dispatched to Moscow concluded a new and important armaments contract in July 1979. Deliveries followed each other at an accelerated pace, despite Riyadh's warnings; in October of the same year Riyadh interrupted its financial assistance to Sana.

The army of North Yemen has impressive brand new equipment, 80 percent of it of Soviet origin. "The Saudis now know that we will never accept a reduction in Soviet military aid," a high-ranking leader told us, adding, "We have the right to choose our suppliers. The Soviets are granting us prices and easy terms that suit us perfectly. The Russian experts (about 300: editor's note) are only here to train our army, and they will leave as soon as their mission is completed."

To replace the Saudi financial aid, which was first interrupted and then partially renewed under certain conditions, North Yemen a year ago addressed itself to Iraq, which granted it a credit of \$300,000,000. Since then the Baghdad-Riyadh axis has

dangerously reduced the Sana leaders' room for maneuvering. Thus, since the beginning of the Iran-Iraq conflict the Yemeni Republic has shifted its policy in a direction favorable to Baghdad and the other "moderate" Arab countries.

However, the concessions wrung from Sana could be ephemeral. It is not very likely that the joint pressure from Riyadh and Baghdad can change the fundamental options of the regime (national independence, centralization, restoration of the authority of the state), which have remained unchanging despite the assassination of President Hamdi. The process President Hamdi triggered seems to be irreversible.

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